

THE HIGHLANDS AND ISLANDS DEVELOPMENT

BOARD 1965 - 70

(Policy-making in an administrative setting)

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1973

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Abbreviations used in the thesis

H.I.D.B. is of course the Highlands and Islands Development Board - usually referred to simply as "the Board". The other abbreviations, in alphabetical order, are as follows:

A.D.B. - Atlantic Development Board

B.A. - British Aluminium Company Ltd.

B.O.T. - Board of Trade

B.O.T.A.C. - Board of Trade Advisory Committee

D.A.F.S. - Department of Agriculture and Fisheries for Scotland

D.A.T.A.C. - Development Areas Treasury Advisory Committee

D.E.A. - Department of Economic Affairs

D.T.I. - Department of Trade and Industry

E.R.L.U.C. - Easter Ross Land Use Committee

F.D.S. - Fisheries Development Scheme

H.I.B. - Herring Industry Board

L.E.A.F.A.C. - Local Employment Act Financial Advisory Committee

M.F.D. - Moray Firth Development

N.F.U. - National Farmers Union of Scotland

N.S.H.E.B. - North of Scotland Hydro-Electric Board

R.T.-Z - Rio Tinto-Zinc

S.A.O.S. - Scottish Agricultural Organisation Society

S.C.S.S. - Scottish Council of Social Service

S.D.D. - Scottish Development Department

S.T.B. - Scottish Tourist Board

S.T.U.C. - Scottish Trade Union Congress

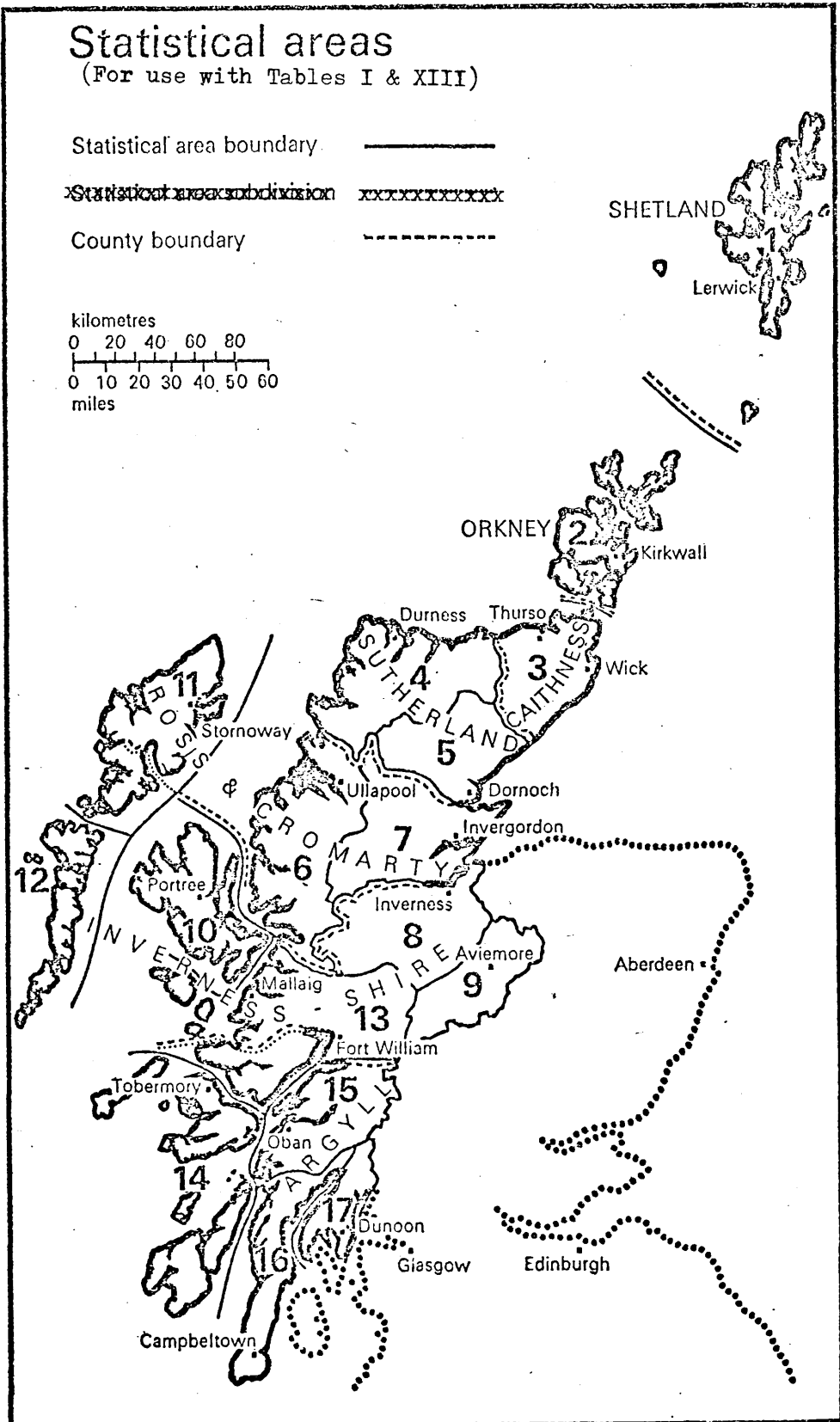
S.W.O.A. - Scottish Woodland Owners Association

T.V.A. - Tennessee Valley Authority

U.K.A.E.A. - United Kingdom Atomic Energy Authority

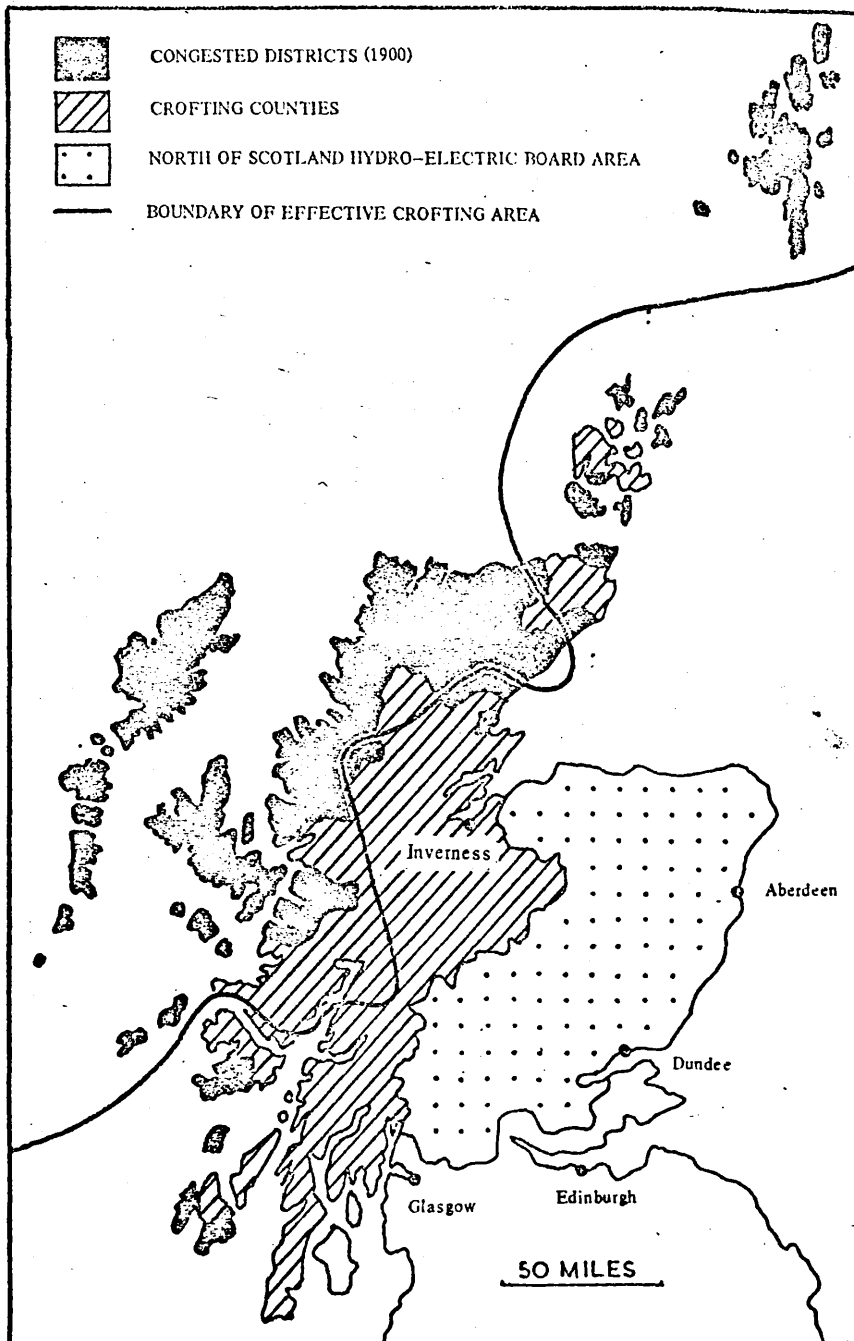
W.F.A. - White Fish Authority

MAP I: THE CROFTING COUNTIES



Source: H.I.D.B., Sixth Report, 1971, Appendix VI

MAP II: THE NORTH OF SCOTLAND - SOME ADMINISTRATIVE DIVISIONS



Source: D. Turnock, Patterns of Highland Development, p.244

(Note that the N.S.H.E.B. area includes the Crofting Counties which in turn include the congested districts)

Chapter 1: Public Administration and the Policy Process

Public Administration: Definition and Approaches

Put in the most general way this thesis concerns the role of the public administrator in the policy process. Specifically it is about the evolution of government policy toward "Highland Development" and the part played by the Highlands and Islands Development Board in this process. For the remainder of the chapter I propose to look briefly at some problems of definition of the term "public administration" and at a number of approaches to its study. I will take two of these approaches - public administration as decision-making and the relation of the administrative agency with its political environment - for more detailed consideration. Four themes will be particularly stressed: the characterisation of the policy process (or the decision-making process, I use the terms synonymously) as a 'tree' of possible choices; the lack of specificity in many policy commitments and the associated use of "un-analysed abstractions" to describe the policy; the "multi-organisational" nature of much public administration; and the importance of selective perceptions in determining policy choices.

Attempts to give vigorous and watertight definitions to concepts in the social sciences tend to be futile, for it the definition remains down-to-earth enough to refer clearly to some identifiable part of the world it is almost inevitable that certain phenomena that it should ~~cover~~ manage to escape the net of the definition and others that should not be there creep under this net. So for example, if we attempt (naively I admit) to define 'public' bodies as ones having statutory powers or responsibilities then we find that a body such as the old Highlands and Islands' Advisory Panel ¹ will not count as 'public', an

1. See chapter 2.

odd state of affairs. By using the most highly abstract, vague and general social science concepts (e.g. structure, function, system etc.) this problem can sometimes be avoided but only at the expense of making the definition of little practical use and probably almost meaningless as well. ² Therefore I will avoid formal definitions and content myself with a brief discussion of a few of the ambiguities inherent in the term "public administration".

The distinction between public and private is a slippery one. Dunsire points out that "public" means both "belonging to all" and "open to all" ³ and using the second meaning it could be argued that all organisation recruiting from the world at large and not just from a small group having personal or kinship ties are "public"; that indeed one of the most salient facts about Western Industrial society is its pervasive "public - ness". But this is not the sense of the word used here. I am using the public-private distinction, in the conventional manner, to have the same sense as governmental - non-governmental: that is ^{the} more directly controlled by the political executive the more public. So, for instance, the Scottish Office, as a Central department, is public, I.C.I. is private. The problems come at the margins; British Rail is surely public but what of B.P.? A hard and fast dichotomy will not hold; what we have is a rather blurred spectrum. It is characteristic of public bodies to have statutory powers and responsibilities, to receive substantial sums by way of grant-in-aid from the Treasury, to be subject to ministerial authority, to have their official head either elected by the adult population as a whole or appointed by a minister, and to perform functions other than the earning of profits or the promotion of their members' interests. ⁴ Many bodies

2. A similar point is made by P. Appleby, Policy & Administration (University of Alabama Press, 1949), p.15.

3. A. Dunsire, Administration: The Word and the Science (Martin Robertson, 1973), p.166.

4. i.e. they are "service" or "commercial" organisations not "business concerns" or "mutual-benefit associations" to use the classification in P.M. Blau & W.R. Scott, Formal Organisations (Routledge & Kegan Paul, 1963), p.43.

will only have some of these attributes but the more of them an organisation has the more public we can say it is. Viewed in this light the Highlands and Islands Development Board comes well over on the public side of the spectrum.

If the word "public" is not blessed with a single unambiguous meaning, it cannot compare with "administration" for which no less than fifteen meanings have been established.⁵ The possible variations are breathtaking but, fortunately, not very important for our purposes. It is probably enough here simply to reject the traditional dichotomy between "policy" and "administration". This is no bold new doctrine; few academics since the War seem to have maintained the distinction⁶ and its earlier use was based not so much on empirical grounds as on the normative desire to establish a clear constitutional division of labour between politicians dealing with controversial policy matters and impartial Civil Servants merely implementing in the most efficient way whatever had been decided. As it is one of the themes of this chapter to portray policy-making as a series of choices and to deny that there is any cut-off point between the establishment of broad goals and the relatively detailed commitment of resources we shall return to this point later. As for "administration" the word will be used to cover all activities ranging from the most exalted "policy-making" to mundane management functions - in other words the work of the members and staff of public bodies.⁷

Organisations involved in public administration can be treated in a number of different ways, many of them equally appropriate to any

5. By Dunsire in chapters 1-3 of Administration.

6. A very effective attack was made on it by Appleby in Policy and Administration but as Dunsire shows it still lives on in the minds of those like the Maud Committee who have to wrestle with the practical problems of what constitutes the proper spheres of activity of the politician and the official. (Dunsire, p.153-5).

7. Which actually doesn't quite correspond to any of Dunsire's meanings but lumps several of them together.

organisation private or public ⁸ (but of course 'organisation' is yet another slippery term). Perhaps the most prevalent approach is to focus on organisational structure. Chief among the originators of this approach was Max Weber who analysed "bureaucracy" - that is, the mode of organisation applicable to the 'rational/legal' type of authority found in Western industrial nations and characterised by the strict application of formal rules and the firm delimitation of official duties and spheres of Authority. ⁹ Weber's work was extended and modified by Merton and others ¹⁰ and has inspired more recent writers reacting against different traditions. ¹¹ One of the earliest of these other traditions was that of 'scientific management'. Started by Fayol (dealing with top management) and Taylor (dealing with the shop floor), 'scientific management' was taken up by numerous writers and soon formed a large corpus of proverbial knowledge symbolised by the term P.O.S.D.C.O.R.B. - the first letters of the various supposed stages of administration (planning, organising, staffing, directing, coordinating, reporting and budgeting). ¹² Scientific management was essentially prescriptive in content - describing how organisations should be structured rather than looking at how they were - and as such it lives on still. However, the whole tradition has been subjected to severe criticism, most notably by Simon (in Administrative Behaviour) who attacked its proverbial and non-empirical character. ¹³

8. A discussion of different approaches (from a bibliographical point of view), the outline of which is followed here can be found in R.L. Peasbody & F.E. Rourke, "Public Bureaucracies" in J.G. March (ed.), Handbook of Organizations (Chicago, Rand McNally, 1965), p.802-837.

9. From Max Weber: Essays in Sociology, H.H. Gerth & C.W. Mills (eds.) (Routledge & Kegan Paul, 1948), p.196-244.

10. See for instance R.K. Merton, A.P. Gray, B. Hockey & H.H. Selvin (eds.) Reader in Bureaucracy (Glencoe, Free Press, 1952) and P.M. Blau, The Dynamics of Bureaucracy (University of Chicago Press, 1955).

11. See for instance A. Etzioni, Modern Organizations (Englewood Cliffs, Prentice-Hall, 1964), p.41.

12. A full discussion of the development of their school is found in J.L. Massie, "Management Theory" in March, p.387-422. P.O.S.D.C.O.R.B. itself was

footnotes continued -

an invention of L. Gulick and is to be found in L. Gulick and L. Urwick (eds.) Papers on the science of administration (New York, Institute of Public Administration, 1937).

13. H.A. Simon, Administrative Behaviour (2nd Edition, New York, Macmillan, 1957) p.20-36.

Simon himself had been preceded in his attempt to construct a more behaviourally based theory by C.I. Barnard.¹⁴ Even earlier, another source of criticism had emerged - the Human relations school. Led by Mayo,¹⁵ they stressed the importance of the 'human factor' and directed attention to the informal structure that grows within the shell of the formal one. The tendency for this school to play down disagreement and to preach that all parts of an organisation (especially management and workers) could get along with one another if they tried, in turn led to a reaction and several later writers, such as Etzioni and Crozier,¹⁶ have emphasised the inherent conflicts present in many organisations.

Closely connected with the study of organisational structure is the intention of improving the efficiency of the organisation. This of course was the raison d'etre of the scientific management approach and is also to be found in present day operational research. Sometimes prescriptions for greater efficiency amounted to no more than tampering with the charts of the formal organisation, and as this did not always have the desired effect, many of those involved in management (as reported by Simon who deprecates the idea) came to feel that "organisation" was unimportant and "personality" counted for all.¹⁷ While not necessarily going to such extremes, it is clear that the people within any organisation are of considerable importance, and this fact provides an alternative focus to structure when studying

14. C.I. Barnard, The Functions of the Executive (Harvard University Press, 1938).

15. E. Mayo, The Human Problems of an Industrial Civilization (New York, Macmillan, 1933).

16. A. Etzioni, A Comparative Analysis of Complex Organisations (Glencoe, Free Press, 1961) and M. Crozier, The Bureaucratic Phenomenon (Tavistock, 1964).

17. Simon, p.XV.

organisation: that of personnel and personalities. There are fewer works on this topic than on organisational structure which have become classics but the writings of Merton, Gouldner and Argyris, for instance, are notable.¹⁸ Other attempts to explore the relationship between organisation and personality in general are provided by Presthus and, in an axiomatic way, by Downs.¹⁹ In Britain studies of the personnel of public bodies have tended to concentrate on higher civil servants - those of the former Administrative class - as, for example, in the books by Kelsall and R.A. Chapman.²⁰

To study structure or personnel is to investigate the building blocks of organisations, but as such bodies are not static edifices but groups of people involved collectively in doing something, another approach is to look at what is being done and the way it is performed. To use Stein's description of what his "Inter-University Case Program" book is about, we can study "public administration as process".²¹ Central to this approach are the concepts of organisational goal, - the end which the organisation is supposed to achieve - and decision-making. The two things are necessarily closely connected. Decisions are made in order to achieve certain goals, goals are changed (sometimes inadvertently) because of particular decisions. A classic study of how an original goal was displaced by a commitment to arrangements which are in fact, though not transparently, incompatible with it is Selznick's TVA and the Grass Roots. As Selznick shows, procedures may become "the receptacle of positive emotional values" which would normally be attached to goals²² and because

18. See for example, R.k. Merton, "Bureaucratic Structure & Personality" in Merton et. al. (1952), p.361; A.W. Gouldner "Cosmopolitans and Locals: Toward an Analysis of Latent Social Roles", Administrative Science Quarterly, Vol.2. 1958 (two articles), and C. Argyris, Personality and Organisation, (New York, Harper & Row, 1957).

19. R.V. Presthus, The Organizational Society (New York, Knopf. 1962) and A. Downs, Inside Bureaucracy (Boston, Little Brown, 1967) esp. chaps. VII-IX.

20. R.k. Kelsall, Higher Civil Servants in Britain (Routledge & Kegan Paul, 1955) and R.A. Chapman, The Higher Civil Service in Britain (Constable 1970)

footnotes continued-

21. H. Stein (ed.), Public Administration and Policy Development: A Case Book, (New York, Harcourt Brace, 1952), p.XIII.
22. P. Selznick, TVA and the Grass Roots (New York, Harper Torchbooks, 1966) p.62.

of this a heavy reliance on the analytic distinction between means and ends is usually inappropriate when applied to public administration - or any other political process. There are other arguments against such a distinction: ends are often not clearly stated, or even known, and when they are they will often be expressed in terms too vague to be a guide to action; not only can one end be served by many means but multiple ends are often furthered by a single means; what is an end for one man might only be a means for another, yet they may cooperate for all that; finally, as Lindblom has shown, there can be agreement on means without agreement on ends. 23

This has a bearing on what has perhaps been the major debate about decision-making models: the validity and usefulness of the "rational maximiser" assumption of human behaviour. Rational man must be able to distinguish clearly between means and ends otherwise his ability to maximise his utility becomes greatly impaired. It is hardly necessary to go into great detail in criticising this particular "model of man" for to do so would be to attack what is now an Aunt Sally (but do the economists realise it?). All we need do is to point to the two main alternative models developed by the critics; Simon's 'Satisficers' and Lindblom's 'mutual adjusters'. 24 Administrative man, the satisficer, differs from economic man in that he does not maximise - which would require the extremely laborious process of discovering all possible courses of action open to him and working out the best alternative - but simply chooses a solution that is 'good enough'. Furthermore he makes no idle pretence at perfect information but deliberately works with a highly simplified view of the variables relevant to his interests; the complexity of the real world is

23. C.E. Lindblom "The Science of Muddling Through" reprinted in R.E. Wolfinger (ed.) Readings in American Political Behaviour (Englewood Cliffs, Prentice Hall, 1966) p.218-219.

24. Simon, P.XV - XXVI and also his "A Behavioural Model of Rational Choice" in Models of Man, (New York, John Wiley, 1957). Lindblom, "Muddling Through" and also The Intelligence of Democracy (New York, Free Press, 1965).

reduced to a few "relatively simple rules of thumb".²⁵ For all this differences from Simon's "administrative man", Lindblom's administrator has similar tendencies: he does not believe in the possibility of clearly separating means and ends so he cannot establish the 'one best way' to achieve his objectives, his analysis is drastically limited and proceeds by a succession of limited comparisons; and he considers the test of a 'good' policy to be whether a number of people can agree on it without necessarily agreeing as to final objectives.²⁶

The above approaches to organisations - concerned with their structure, their personnel or the decision-making processes within them are equally relevant to public or private bodies. By comparison the study of the organisation's political environment and its relations with this environment seems particularly appropriate to public administration. Of course all organisations have an environment and there have been studies relating purely private bodies to their surroundings²⁷ but, as Self puts it, business firms inhabit a market rather than a political environment²⁸ and the problem becomes especially important for public bodies because of their peculiar interrelatedness. Making due allowance for the lack of firmness of the public-private distinction, already discussed, there is a case for saying that while, say, a firm or a trade union have some sort of autonomous existence a public body is only there because of the part it plays in the overall process of government. In other words a large part, if not all, of the public sector can be considered as several giant 'multiorganisations'²⁹ whose component units cannot sensibly be treated separately from the other units they are

25. Simon, Administrative Behaviour, p.XXV-XXVI.

26. Lindblom, "Muddling Through" p.215 and 218. There are of course major differences between the views of Simon and Lindblom but I cannot agree with Self that the two are in "complete opposition", see P. Self, Administration Theories and Politics (Allen & Unwin, 1972), p.39.

27. A. K. Rice, The Enterprise & its Environment (Tavistock, 1963), which uses a "system" approach.

28. Self, p.262.

29. For a discussion of this concept see J. Stringer "Operational Research for 'Multi-organizations' Operational Research Quarterly, Vol.18, No.2 (1967).

related to.³⁰ To put it yet another way while a private body has goals dependent only upon itself the goals of a public organisation cannot be divorced from wider government aims. The interaction between a public body and the elements of its environment (which may include other public bodies, political parties, interest groups and much else) is necessarily political, being concerned with, in Easton's phrase, "the authoritative allocation of values"³¹ and it was this aspect of administration that led Appleby to call it 'the eighth political process'.³² Its greater visibility in the U.S.A., where the bureaucracy is both more fragmented and less secretive than in Britain has led to a number of studies.³³ Less work has been done in this country.³⁴ On the theoretical side, Down's analysis of the empire building tendencies inherent in bureaucracy³⁵ should perhaps be mentioned.

The preceding schematic characterisation of studies relevant to public administration provides a context for the material in this thesis. Briefly, though neither structure and personnel can be ignored, they do not provide

30. Self, p.251, makes much the same point and calls this the "macro-approach" to public administration.

31. D. Easton, The Political System (New York, Knapp, 1953), p.129.

32. Appleby, p.29-30, several of the other seven processes have a specifically U.S. relevance.

33. e.g. the volume edited by Stein; M. Meyerson & E.C. Banfield, Politics Planning & the Public Interest (Glencoe, Free Press, 1955); and W.R. Lewinin & N.A. Abend, Bureaucrats in Collision (M.I.T. 1971).

34. Though there are the Administrators in Action books, Volume I by F.M.G. Wilton (R.I.P.A. 1961) and Vol. II by G. Rhodes (R.I.P.A., 1965) and at the local level D.V. Donnison and V. Chapman and others, Social Policy and Administration (Allen & Unwin, 1965).

35. Downs, p.211-216.

the chief focus for the following study of the Highlands and Islands Development Board. Rather, as I am interested in the part played by the Board in the policy-making process, the most relevant two approaches are those that have been characterised as being concerned with decision making on the one hand and the political environment on the other. Something more now needs to be said on these topics.

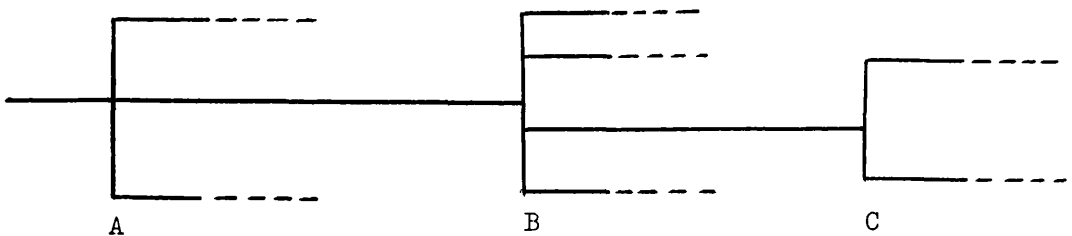
The Policy Process

Policy-making, I have already asserted, is not to be treated as one horn of a dichotomy, the other being administration. Still less useful is the trichotomy policy-programme-administration a division that is beginning to go the way of P.O.S.D.C.O.R.B. "which proves on inspection to be almost devoid of practical content."³⁶ If a distinction is wanted between policy-making and administration it is probably best simply to treat them as referring to different aspects of the same basic activity. Policy-making lies at the heart of government and "to govern", Mendès-France, the former French Prime Minister is supposed to have said, "is to choose" (a claim that had some force in the context of shilly-shallying 4th Republican governments). This is exactly right for policy-making. Policy-making is choice and choice moreover by those whose authority is such that their choices tend to stick (and so back to Easton's definition). It is true that not all choices made within an administrative apparatus would be called "policy-making" in any ordinary sense of the term, it is only the more important choices that are so designated. This is easy enough to illustrate: a decision to expand the road-building programme would be a policy matter but not one to buy carbon paper from supplier x rather than from supplier y. But because of the inveterately vague nature of a phrase like "more important" there is no possibility or

36. W.J.M. MacKenzie, Politics and Social Science (Penguin, 1967), p.247.

indeed any need to establish a cut-off point above which decisions are called policy matters and below which they are merely administration. Such an attempt is particularly harmful if it leads to the belief that there is one group of men who are policy-makers and another who confine ^{themselves} / to administration. In reality effective involvement in policy-making may stretch quite far down the organisation (and will certainly involve personnel other than, in the case of a body like H.I.D.B., the handful of Board members) and even the most purely "administrative" matters, such as the choice of carbon paper supplier, can in certain circumstances become "political" and require a decision from the very top. "Political activity is like lightening, in that it may suddenly strike into any corner of the administrative system, but only rarely does so". ³⁷

The way I wish to conceive of the policy process is best illustrated by reference to a "games tree" such as the one shown in the diagram below:-



In a game such as chess (where of course the number of possible choices at each move far exceeds the few shown in the diagram) a player at A is faced with three possibilities, his decision in turn gives four choices to his opponent at B who in turn gives the first player two moves at C and so on. It is not necessary for the game to involve only two people or for the tree to refer to a game at all. It is appropriate to any situation where one choice opens up others which in turn open up still more and so on until there is no further scope for choice.

37. Self, p.151.

the

The use of a 'tree' to represent/decision-making situation seems to go back many decades but its relevance to administrative behaviour was first brought out by Simon in his book of that name.³⁸ It is used here not as part of any formal theory of rational choice but merely for heuristic purposes and its advantage is that it underlines the continuous nature of the policy process. Donnison and Chapman are using much the same idea when they say that the administrative process "may be regarded as a continuous series of 'decisions' or 'choices'" and that "Each decision that is made, thereafter reduces the number of alternatives still available, until the last act is reached which determines the final outcome At certain stages in this process decisions are taken which select one route and exclude many others potentially available up to that point".³⁹ What I wish to get away from is the idea that "policy-making" ends when high level goals have been set - let us say it has been decided to pursue Highland development - and all else is simply a technical matter of 'best means'. This is simply not the case. Rather the high level choice gives way to another level of choices and so on until the most detailed action has been taken (or not as the case may be). In fact, a point I wish to return to later, the high level choices may be the least controversial and it is the more detailed decisions that produce political opposition.

The disadvantage of the 'tree' model is that it seems to suggest that decisions are both the basic analysable unit and that they are sharp and definite things. This is not necessarily entailed however and it would be a very unfortunate step to take. Just because at every fork in the tree a clear and obvious number of choices are apparent it does not mean that

38. Administrative Behaviour, p.XXVII.

39. Donnison and Chapman, p.34-35. The authors state that their views derive from Simon. I do not think it matters whether the process is called "administrative", "policy-making" or "decision-making".

the real world of the administrator will look at all like that. Chess, a game of perfect information, is in many ways a quite inappropriate analogy. Simon, fertile as always, has suggested that the decision premise be made the basic unit of analysis.⁴⁰ This has the considerable advantage of taking into account the lack of information, or even misinformation, of the decision-maker as well as his possibly blurred perception of exactly what possibilities are open to him but it still leaves the impression that when a decision is taken something definite happens. No doubt this is true in some cases but there are situations which in retrospect seem to have produced a clear choice whereas at the time the decision was not so much taken as emerged out of the interaction of actors all of whose main concerns were peripheral to this decision. The policy process is conceived as a "tree" then, but with due caution about just how the choices come to be made.

A recent refinement of the concept of decision-making has been made by P.H. Levin. He suggests that all decisions need to be analysed along the dimensions of "specificity" and "commitment".⁴¹ (The two terms are not used in an unusual way and are therefore self-explanatory). All decisions are resolutions to do something (or nothing) but what is resolved upon may vary in specificity from the most general and hazy of commitments to a detailed allocation of resources. Similarly, but independently, all decisions imply some sort of commitment but the commitment may range from something that can be changed with the minimum of difficulty to a passionately held conviction or a legally binding promise. To understand clearly the importance of any decision it has to be asked "how specific is it?" and "what degree of commitment does it generate?".

40. Simon, Administrative Behaviour, P.XII and chapters IV and V.

41. P.H. Levin, "On Decisions & Decision Making", Public Administration, Vol. 50, 1972, p.24-25. The article says quite a lot of other things about decisions as well but these, while interesting, I find less useful in this case.

To relate the "tree" idea to the Highlands and Islands Development Board it can be said that what we are ~~dividing~~ giving at is an account of the policy of Highland development from early recognition of the problems down to the Board's detailed actions - that is an account of the growth of this particular "tree" analysing the choices perceived at each fork and describing those that were actually made. And within this framework it is a study of the part played by the Board in the process.

What were the major stages in the development of this policy, that is to say the major forks in the tree? It has to be admitted that there is something a little arbitrary in dividing a policy - a seamless web - up into stages but with this reservation it may nevertheless add to the clarity of the picture. In an investigation of the work of 18 U.S. federal field offices Gore developed four phases of the policy process: problem perception, interpretation, the struggle for power and formalization.⁴² Gore's phases concern the development of policies by agencies already in existence, whereas in the Highland case H.I.D.B. was created in the course of the policy process; the phases therefore are not quite compatible. We can of course accept that the first stage is the perception of a problem. Obviously nothing else will happen until this has occurred though it is far from trivial to ask why a particular situation came to be perceived as a problem. The perception of a problem is the equivalent of a decision to play a game; in terms of the tree of future choices it simply means that such a tree now becomes relevant.

It is at the second phase that our case diverges from Gore's outline. This seems rather odd, surely there must have been a variety of interpretations of the problem? There were, but they did not really have much

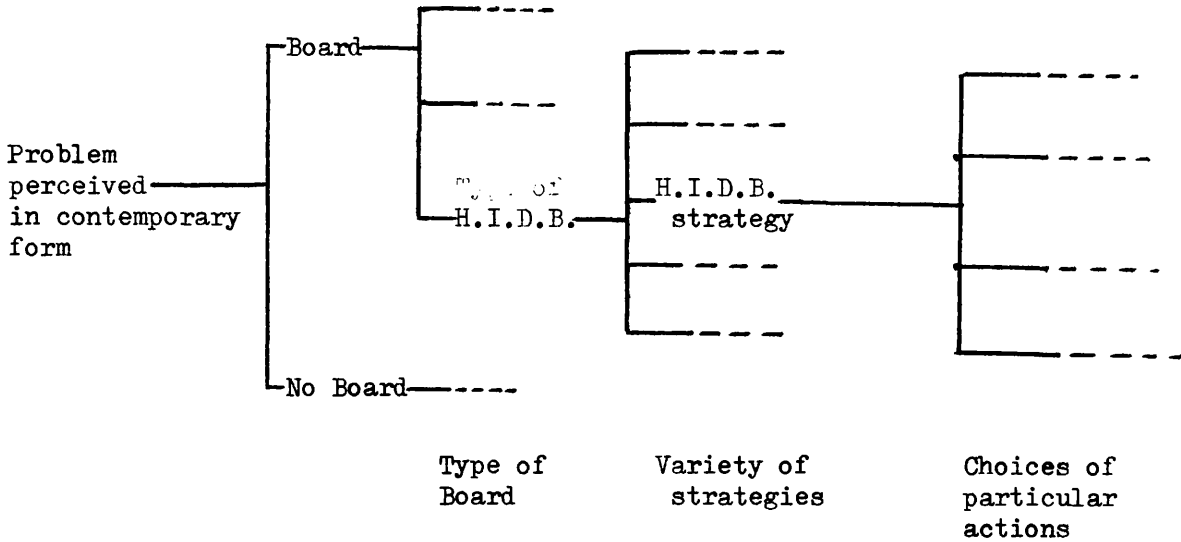
42. W.J. Gore, "Administrative Decision-Making in Federal Field Offices", Public Administration Review, 16 (1956) p.284-91.

practical importance until later on in the policy progress. As soon as the problem was perceived in its contemporary form, i.e. as a problem of depopulation (and another complication was that the perception of the problem had changed in the early part of this century), the basic question - the first fork of the tree - became whether to have an executive development board or not. For a long time the answer was 'not' and further policy developments had to ^{proceed} ~~re/come~~ from there. It was not until the Labour victory of 1964 that the creation of a board was accepted (and here again policy processes show themselves quite unlike games - a chess player cannot change his first move in the middle of a game). Once the idea of a development board was accepted the next major range of choices concerned the kind of Board and only after that did analysis of the Highland problem with accompanying recommendations for the basic strategy of the new board become relevant. The final stage, ^{following} ~~filling~~ a choice of strategy, were the detailed decisions about actions.

Looked at casually there is something cockeyed about this whole policy process for instead of deciding what needed to be done to solve the Highland problem and then creating instruments to do it, the Government created the instrument (i.e. H.I.D.B.) first. In fact this is a fairly common way of proceeding and fits in with Lindblom's analysis of the incremental approach to policy whereby the policy-makers can often agree on means without necessarily agreeing on objectives. ⁴³ Put in the form of a behaviour 'tree' diagram the successive stages of the

43. Lindblom "Muddling Through", p.219.

policy outlined above appear as:-



(The diagram is an oversimplification as separate "trees" could be drawn for each of the Board's "actions" e.g. the revival of the Highland fishing industry or the promotion of tourism). What we see here is the 'crystallization' of policy. From the first hazy conception (by the relevant authority) that something is wrong a policy is slowly worked out into more and more specific and concrete forms until it ends up in a detailed commitment of resources - for example a loan to a fisherman to buy a boat (of course it may end with a refusal to act). At each stage in this process of crystallization it can be asked (though it ^{is} not always possible to find answers), who was involved and what were their preconceptions and information? What influences and constraints did they perceive themselves to be under? What interests were involved and did they clash?

Applying the notions of specificity and commitment to the various decisions that brought about the crystallization of the policy of Highland development, it is interesting to note that at several stages in the process a high level of commitment was associated with a low

level of specificity. So, for instance, the Liberal Party were for a long time committed to the creation of a development board without being very specific about its powers, membership, etc. And after the Board was created (or before for that matter) a strong commitment to "Highland development" was often expressed in what Selznick has called "unanalysed abstractions",⁴⁴ that is abstract slogans which, not having been unpacked, beg a good many questions and are equally applicable to a variety of contradictory procedures. Policies expressed in such terms may be agreed upon by numerous people who in fact disagree quite sharply when it comes to a more precise specification of what needs doing. Such policies are in Professor Grieve's phrase "unexceptionable sentiments" (and he went on to say that it was the Board's job to transform them into "the terror of action"⁴⁵). The prevalence of unanalysed abstractions explains why numbers of supporters of the idea of a development board later expressed disappointment with it and dissatisfaction with its policies and why much of the conflict generated occurred at the "administrative" stage rather than at the "policy" stage of the process (to relapse briefly into the conventional distinction).

This ~~case~~ use of unanalysed abstractions with which to describe policies seems widespread. Levin and Abend, commenting on American experience, note that government aims are often expressed in vague and generalised terms,⁴⁶ and Self, reflecting generally on administrative competition, says that a basic cause of policy conflict "is the frequent inconsistency or vagueness

44. Selznick, p.59-64.

45. Professor R. Grieve in a letter to The Scotsman, 7/8/68.

46. Levin & Abend, p.233. A similar point is made by D.P. Moynihan, Maximum Feasible Misunderstanding, (New York, Free Press, 1970), p.XVI.

of public policy goals". He adds, "These difficulties are not necessarily apparent during the phase of general policy formation but may become apparent when policies are translated by agencies into specific programmes".⁴⁷ It is not difficult to see the advantages to the politician in expressing his policies for as long as possible in unexceptionable sentiments: it neutralises conflict during the stages when he is most closely involved and ensures that opposition will emerge only to relatively detailed "administrative" proposals from which he is often far removed.

The use of such "unexceptionable sentiments" in the Highlands led to a regular rhetoric of development. This existed at various levels of generality; the highest and vaguest being summed up by the phrase "promoting the economic and social development of the Highlands and Islands" itself. This was so abstract and so unanalysed that it came close to meaning all things to all men yet no more detailed specification of what was expected of H.I.D.B. was produced by the Government throughout the time preceding the Board's creation. Once they were established and were preparing their strategy it was necessary to be a little more precise but the phrases could still be comfortable and unthreatening. Most people could agree with the need to encourage manufacturing industry for example; it was only when the policy was taken one stage further and the Board tried to establish a petro-chemical plant on the Cromarty Firth that the contradictory views sharing the same attachment to "Highland development" were brought out.⁴⁸

The Political Environment

Partly because of my original intention and partly through lack of information, the description of the policy development given in the

47. Self, p.103.

48. This incident is described in chapter 6.

following chapters says relatively little about the internal decision-making processes of the Highlands and Islands Development Board. Occasionally internal conflicts become sufficiently severe to require comment but for the most part the Board is treated as an undivided unit; that is to say the dominant ideas on the Board - those of the Chairman and the majority of Board members - are treated as being the ideas of the whole organisation including all members and staff (undoubtedly an oversimplification). The effect of this is to make the main focus the external relations of the Board and, in terms of the policy process, to concentrate on how the Board's actions were affected by its political environment.

If we conceive of the whole administrative structure concerned with the Highlands as a sort of hierarchy with the Secretary of State at the top and individual members of the public at the bottom then the Board comes somewhere in the middle and can be said to have three levels of relationship: (i) above, with the Secretary of State for Scotland, his political assistants and his departments, collectively known as the Scottish Office, the Treasury and other U.K. departments and, ultimately, the Cabinet; (ii) at the same level, with the other statutory bodies (e.g. the Crofters Commission and the North of Scotland Hydro-Electric Board), non-statutory but semi-official organisations (e.g. the Scottish Council (Development and Industry) and the Scottish Agricultural Organisation Society), ⁴⁹ and the local authorities, (iii) below, with interest groups, local voluntary bodies like the Councils of Social Service and the public at large.

Each of these levels of relationship brings its own characteristic conflicts and frictions. The Scottish Office wishes to keep the Board under control whereas the Board wants autonomy. All the bodies at the

49. All these organisations are described and placed in the administrative matrix in chapter 2.

same level want to control the policies they consider are under their jurisdiction but there will inevitably be some overlapping of what Downs calls "policy space".⁵⁰ Interest groups wish to influence the Board's activities as much as possible, the Board wants to escape from such pressures. In reality conflicts of this sort are likely to be considerably mitigated by ambivalence on the part of the organisations concerned. The Scottish Office cannot afford to keep H.I.D.B. too closely under its thumb or initiative will be destroyed and its job done badly⁵¹ and the Board in turn cannot break away from the Scottish Office so completely that it is exposed without protection to the icy blast of political controversy. The empire building tactics of different bodies will be checked by the unwillingness to get landed with somebody else's difficult problem. And in its relationship with groups the Board cannot risk losing all support by being too unresponsive but neither can the group allow itself to be seen as indulging in excessive influence.

One theme runs throughout all the levels of relationship, and that is the importance of different perceptions. There are many reasons why one man might see the world in a different light from another, a different upbringing for instance or different information, but for the purposes of this study probably the most significant source of varying perceptions is position in the administrative matrix. This is pithily expressed in the spoof social law quoted by Seidman: "where one stands depends on where one sits".⁵² Someone sitting at a desk in St. Andrew's House must have a different perspective on Highland affairs from a man with a very

50. Downs, p.212.

51. The tension between "autonomy and goal effectiveness" on the one hand and "policy control and coordination" on the other is described by Self, p.90-91.

52. H. Seidman, Politics, Position and Power: The dynamics of federal organisation (Oxford University Press, 1970), p.20. Seidman calls the law, "Miles' Law" apparently after one Rufus Miles, a U.S. Government employee.

similar background, receiving much the same information but sitting in Inverness. What is of central importance to one might be peripheral to the other, and the difference in perception as to what is important may generate a conflict.

All of the bodies in the Board's political environment have main concerns or "primary tasks" ⁵³ that differ somewhat from those of H.I.D.B. and they will therefore differ in their perspectives. (This is not to say of course that they may not differ even more radically). So, for instance, the Board will see the best interest of Highland development being served if it is given the autonomy to act flexibly, whereas the Scottish Office will be more concerned with assuring that all the various statutory bodies do not come into conflict or do embarrassing and expensive things, and with maintaining a reasonable kind of regional balance.

An attempt to operationalise the idea of varying perceptions was made by Levin in the article on decision-making quoted previously. He describes decision-makers as acting in accordance with some "action schema" whose components are (i) perceived courses of action, (ii) desired outcomes, and (iii) action/outcome relationships. ⁵⁴ Though his use of the concept is interesting I do not think that in the end it comes down to more than the addition of the old means-ends dichotomy (with all its difficulties) to the basic idea that people see the world in different ways and this affects their actions.

Three other themes connected with the political environment of H.I.D.B. deserve mention; differences in administrative 'style', the conception of public administration as a multiorganisation, and the rhetoric of Highland

53. The concept is to be found in Rice, P.13, and refers to a task whose performance is the reason for an organisation's existence.

54. Levin, P.25-26.

development. Many things might be meant by an organisation's characteristic 'style' ⁵⁵ but I conceive of it as embracing those crucial policy precedents that form a guideline for future actions and the organisation's habitual way of going about its business. Clearly 'style' in this sense is closely related to what Downs calls a 'bureaucratic ideology' or ⁵⁶ what in Whitehall language is referred to as the 'departmental philosophy'; in fact style can be seen as the working of this philosophy in practice. A newly created body like the Board could hardly have its own style to begin with and this in turn ~~gives~~ far more scope to the ideas, approaches and even idiosyncracies of the dominant personalities within it. What is perhaps surprising is the speed with which H.I.D.B. did get some sort of collective style so that after five years, when there was a change of chairman, the relatively large differences in personality between Sir Robert Grieve and Sir Andrew Gilchrist had only a slight effect on the activities of the Board.

As the most important of the administrative bodies in the region the style of the Scottish Office's approach to Highland problems is interesting. It can be characterised as 'ameliorative' or less kindly 'keeping the Highlanders quiet'. ⁵⁷ The assumption was that little could be done for such an unpromising area to make it permanently economically prosperous and so the best approach was simply to pump in enough money to give the small population a reasonable standard of life. Not surprisingly, this view conflicted with that of most Board members and added to the friction between the two bodies in the early years.

55. The idea of administrative style is explored in A.F. Davies, "The Concept of Administrative Sytle", Australian Journal of Politics & History, Vol.XII, No.1 (April 1966) but the author is concerned here with the 'style' of individual administrators not whole organisations. And see also R.A. Chapman & A. Dunsire, (eds.), Style in Administration (Allen & Unwin, 1971) Part 1 which seeks to explore the "style" of British Administration as a whole.

56. Downs, chapter XIX.

57. This inevitably rather subjective assessment of the attitude of the Scottish Office, which they quite probably would not accept, is not my own but that of a number of people involved in Highland affairs who I talked to. It was for instance the view of Professor Grieve. (Who stated it in a lecture to the University of Glasgow Economic History Society in early 1973).

I have already mentioned that most of the bodies involved in public administration may be conceived of as forming "multi-organisations". This is undoubtedly true of Highland administration. According to Stringer "multi-organisations" differ from ordinary organisations in lacking the essential unifying characteristics e.g. a set of goals applicable to all its parts, established means for pursuing these goals and an ultimate authority.⁵⁸ Multi-organisations are "the union^{of} parts of several organisations each being a subset of the interests of its own organisation" and they are defined "by the performance of a particular task (which may be a continuing one)".⁵⁹ An example would be the Outer Isles Fisheries Training Scheme in which the multiorganisation consisted of relevant parts of the Department of Agriculture and Fisheries, the White Fish Authority, the Herring Industry Board, the Highland Fund and the Macauley Trust. It might be objected that with regard to Highland Administration there is an ultimate authority, the Secretary of State. But apart from the fact that autonomous bodies such as the Highland Fund and the Macauley Trust often play a part, even when the multi-organisation consists only of statutory organisations the authority of the Secretary of State is rarely exercised in a sufficiently continuous and detailed way to be much of a unifying factor. (This is partly because, for "goal-effectiveness" reasons, the statutory bodies are supposed to be autonomous and hence too much Scottish Office interference would be considered undesirable).

The multi-organisational nature of the administrative matrix has several results for a body like the Highlands and Islands Development Board. Firstly, when it ^{was} new, it meant that it had to adapt and accommodate itself to some extent to existing patterns of cooperation - as we shall see,⁶⁰ one

58. Stringer, p.107.

59. Ibid.

60. In chapter 5.

of its problems was to 'fit' itself into the existing multi-organisation dealing with assistance to agriculture. In a situation where very few major tasks are performed wholly by one organisation a new body must discover whose cooperation it needs in order to achieve anything, and it must enter into suitable relations with them. This naturally has repercussions for policy since it means that no new ~~agency~~ finds itself in a policy vacuum in which it can please itself what it does. On the contrary there will be a prevailing "policy atmosphere" (to extend the metaphor) and new policies cannot ignore it if the necessary cooperation is to be achieved.

Once the new institution has become established its problems are not over; the multi-organisational situation is by definition one in which more than one body is needed to do anything and this ensures the need for coordination. Obviously the more organisations, the more difficult is their coordination and it has often been remarked ⁶¹ that Highland administration involves a surprising number of bodies. It is undeniable that there are a lot. (their nature and functions are described in chapter 2), but it should be stressed that it is not a specifically Highland problem: the New York Metropolitan Area boasts no less than 1467 separate agencies. ⁶² The coordination problem has two separate aspects, the political and the technical. The first arises because different organisations persist in going their own way whatever others are doing; a result, Levin and Abend have suggested ⁶³ of each of them being able to claim (credibly) that their policies and aims are in the public interest, when unfortunately these claims often conflict - which takes us back to unanalysed abstractions and differences in perception. The technical aspect of the coordination problem occurs when ends are agreed upon but their achievement is thwarted by difficulties in working together;

61. For instance M. Magnusson, "Highland Administration" in D.S. Thomson & I. Grimble, "The Future of the Highlands" (Routledge & Kegan Paul, 1968), p.246, and the Economist 17/9/66.

62. R.C. Wood, 1400 Governments, (Harvard U.P. 1961), p.1.

63. Levin and Abend, p.232.

it is essentially a communication problem and is inherent in a multi-organisational situation.

The final theme I wish to mention in connection with the political environment of H.I.D.B. is the nature of Highland rhetoric. This was important for the Board if for no other reason: (and there probably were other reasons) than it created a highly charged atmosphere in which they had to work. One of Professor Grieve's strongest impressions of his five years as Chairman was the intense emotion brought to bear on many issues.⁶⁴ Highland rhetoric (by which I mean rhetoric about the Highlands no matter what the origins of the speaker) tended to have two main characteristics: an apocalyptic tendency and a strong sense of grievance. The apocalyptic tendency is brought out by the innumerable statements, both before the Board's creation and afterwards, that this was the 'last chance' for the Highlands.⁶⁵ Exactly what was to happen to the region, if this "last chance" failed, to make it impossible to try something else, was never specified, and one suspects that the assertion began to take on a rather ritualistic character. However it had the effect of generating an atmosphere of impending doom. Given the persistent economic deprivation viz-a-viz the rest of Britain the sense of grievance is hardly surprising. It was directed against two main objects: aloof and remote governments who knew little and cared less about the Highlands and who had subjected them to "generations of neglect";⁶⁶ and, a less universal but still common theme, the big landowners whose estates occupied tens of thousands of acres which they selfishly refused to develop in order to use for sporting purposes.⁶⁷

64. It was a point he reiterated in my interviews with him.

65. See for instance the leader in The Scotsman, 31/7/70 (which however thought that this 'last desperate effort' had succeeded) and a similar point by Lord Lovat in H.L. Deb, Vol.291, col.1091 and Lord Cameron in Glasgow Herald, 7/8/65.

66. As Donald Stewart, the S.N.P., M.P. for the Western Isles put it in a recent statement, see Glasgow Herald, 17/4/73. Statements of the same sort were made by Lord Bannerman in H.L. Deb., Vol.291, col.1102 and in a BBC "Current Account" programme on H.I.D.B. in Autumn 1970 (transcript available).

67. For examples of this view see the speeches from the Labour and Liberal benches during the Second Reading of the Highland Development (Scotland) Bill, H.C. Deb, Vol. 708, cols.1079-204.

There was also a tendency, though I strongly suspect that this has nothing to do with the Highlands as such but occurs anywhere where strong emotions are involved,⁶⁸ to resort to a 'devil' theory of politics, i.e. to believe that the motives of one's political opponents are of the most dubious kind and to think them engaged in dark and underhand machinations. This point is brought out particularly strongly by the controversy over Moray Firth Development described in chapter 6.

The Arrangement of the Thesis

The remainder of the thesis is arranged as follows. Chapter 2 deals with the environment of the Board at the time of its creation (1965). The first section on the general social and political environment is quite brief but there is more detail on the administrative environment in section two. Chapter 3 is a history of Highland development and of Government efforts to promote it from the 18th Century to 1965. (but concentrating on the 20th Century). These two chapters together in effect describe the situation the Board was faced with when it began work. Chapter 4 deals with the creation of H.I.D.B. Beginning ^{with} the build up of demands for a development board and the Government's growing concern with regional policy it goes on to discuss the 1965 Act and the powers and members of the Board it created. The chapter ends with a brief note of international comparisons. What the Board actually did between 1965 and 1970, with one exception, is described in chapter 5. The one exception is Moray Firth Development which is explored in more depth in chapter 6. Chapter 7 sums up the Board's first five years, makes an assessment and notes the criticisms commonly made. It goes on to relate the conception of the policy process and the political environment discussed in this chapter to the empirical material. Finally, there is an appendix which takes a brief look at H.I.D.B. since 1970.

68. Levin and Abend. found similar responses in their studies of transportation planning and comment, "It requires wisdom and calm reason to decide that opponents are not necessarily wicked, stupid, shortsighted or untrustworthy" (p.275).

Chapter 2: The Environment of the Highlands and Islands Development Board

The Physical, Social and Political Environment

The Highlands and Islands Development Board was created in 1965. In this chapter I wish to explore the environment into which it was placed. The first part deals with the general aspects of this environment and the second with the other administrative bodies already at work there.

For administrative purposes the 'Highlands and Islands' have, been identified since 1886¹ as the seven 'Crofting Counties' of Argyllshire, Caithness, Inverness-shire, Orkney, Ross and Cromarty, Sutherland and Zetland. It is a common ~~place~~ ^{fact} that this area does not form a satisfactory natural unit. Arran, much of Perthshire and varying amounts of the other neighbouring counties all have 'Highland' characteristics; Orkney and Shetland, although showing many of the geographical features of the rest of the region, cannot on cultural or historical grounds be considered as part of the Highlands. However, by the time the Highlands and Islands Development Board was created the administrative boundaries of the region had become firmly fixed and henceforward if the 'Highlands and Islands' (or simply the 'Highlands') are mentioned in this thesis, for any period after 1886, it will be the Seven Crofting Counties that are referred to.

The whole region comprises 9,020,474 acres, about 47% of the area of Scotland, and has a number of distinctive features: a rugged and hilly terrain, poor soils, a wet and blustery climate, a low population density, economic backwardness, poor communications and a peripheral position with regard to the main centres of population and activity in Britain. Not all these features are found equally in all areas; those parts fringing the inner Moray Firth have relatively gentle slopes, fertile soils, little wind

1. See next chapter.

and an average rainfall of only about 25-30 inches.² Orkney is also unusual for its fertility and much of Caithness for its flatness. These are the main exceptions to the general roughness of the country. A further distinction can be made between the warmer and wetter Western parts of the region and the colder and drier East.

A difficult climate and a geological structure that tends to prevent the formation of good soil have combined with human activity to make much of the Highlands what Fraser Darling calls a 'devastated area'.³ According to Darling some 2,000 years ago about 50% of the land may have been tree covered but since then the development of blanket bog plus deforestation by man, either for economic or security reasons (i.e. to destroy the hiding places of wolves or 'rebels') has reduced this climax vegetation to a fraction of its original extent. The situation became worse after the late 18th Century with the introduction of large scale sheep farming. Since then over-grazing by sheep and a widening of cattle-sheep ratios have further depressed the fertility of the region so that today much of it is infertile moorland.⁴

Table I shows the distribution of population in the Highlands for the decade and a half prior to the creation of HIBD. Two points should be noted: (i) the general decline in population over most parts of the region (for the seven counties as a whole, population had been declining steadily since 1841); (ii) the wide variation between areas in the concentration of population and in the rate (and even direction) of its change. So, for instance, both Caithness and Lochaber defy the general trend toward depopulation quite dramatically, due to the build up of Thurso (a result of the development of Dounreay) and Fort William, respectively. The other main population centres

2. A.C. O'Dell & K. Walton, The Highlands and Islands of Scotland (Nelson, 1962) p.47-48.

3. F.F. Darling, West Highland Survey (Oxford U.P., 1955), p.192.

4. Darling, p.159-173.

Table I: The Population of the Crofting Counties 1951-66
(absolute numbers and percentages of 1961 total)

Area	1951 - %	1961 - %	1966 - %
1/ Shetland	19352 - 109	17812 - 100	17371 - 98
2/ Orkney	21255 - 113	18747 - 100	18102 - 97
3/ Caithness	22710 - 83	27370 - 100	28257 - 103
4/ N. W. Sutherland	4283 - 108	3961 - 100	3750 - 95
5/ S.E. Sutherland	9387 - 98	9546 - 100	9393 - 98
6/ Wester Ross	7321 - 108	6807 - 100	6600 - 97
7/ East Ross	29456 - 102	28898 - 100	29208 - 101
8/ Inverness	45620 - 100	45820 - 100	46178 - 101
9/ Badenoch	6814 - 105	6473 - 100	6429 - 99
10/ Skye	8632 - 111	7772 - 100	7150 - 92
11/ Lewis & Harris	27722 - 110	25222 - 100	24302 - 96
12/ Uists & Barra	7869 - 107	7387 - 100	6600 - 89
13/ Lochaber & W. Argyll	13783 - 97	14236 - 100	16586 - 117
14/ Argyll Islands	8849 - 114	7772 - 100	7617 - 98
15/ Oban & Lorn	14615 - 96	15162 - 100	15238 - 101
16/ Mid Argyll & Kintyre	20217 - 108	18716 - 100	18022 - 96
17/ Dunoon & Cowal	17901 - 110	16247 - 100	16533 - 102
Total Crofting Counties	285786 - 103	277948 - 100	277334 - 100

Source: H.I.D.B., Sixth Report (1971), Appendix VI

(The extent of the statistical areas 1-17 is shown on Map I).

are the Inner Moray Firth, including Inverness, parts of Argyllshire, particularly around the burghs like Oban or Dunoon; and, for entirely different reasons, Lewis. Some 60% of this population was rural ⁵ the remainder living in 21 burghs, only one of which - Inverness - had over 10,000 people (in 1966). Not surprisingly Inverness provided the main service Centre for the region although Orkney and Shetland tend to look towards Aberdeen and much of the South West is in Glasgow's orbit.

With its poor rugged land, sparse and unurbanised population and general remoteness the Highlands show great similarities with other parts of the 'North Atlantic periphery' - Iceland, Norway, the West of Ireland and Newfoundland, for instance - but in the British context it is distinctive, not only geographically but in terms of its social structure. Table II shows the active male population of the Crofting Counties and Scotland as a whole divided up into broad socio-economic categories. As can be seen the lower middle and (non-agricultural) working classes, which together make up over $\frac{3}{4}$ of the country's population, are significantly less well represented in the Highlands. The professional and managerial classes are slightly over-represented due mainly to a higher proportion of employers and managers in small concerns but the groups that are exceptionally well represented in the region are all those connected with agriculture whether large farmers, small farmers or agricultural workers.

The figures in Table II concern only the active male population and they do not distinguish between full-time non-agricultural workers and those who combine such employment - perhaps as weavers - with work on a small holding. They therefore tend to obscure the existence of the most distinctive Highland Class - the crofters. Crofters, whose origins and complex legal position are discussed in the next chapter, comprise some 60,000 people (22% of the Highland population) ⁶ Table III shows the

5. The Scottish Economy 1965-1970: A Plan for Expansion, Cmnd 2864 (HMSO, 1966), p.135.

6. Ibid. p.141.

Table II: Socio-Economic Groups in the Crofting Counties

Group	% in Crofting Counties	% in Scotland
A/ Professional & Managerial groups (non-agricultural)		
Employers & Managers in Large concerns	2.3%	2.6%
" " " Small concerns	6.6%	5.1%
Self-employed professionals	1.6%	0.9%
Professional employees	2.1%	2.2%
Total	<u>12.6%</u>	<u>10.8%</u>
B/ Other White Collar Workers		
Intermediate non-manual workers	3.3%	3.4%
Junior " " "	8.3%	12.1%
Personnel Service Workers	1.1%	1.0%
Total	<u>12.7%</u>	<u>16.5%</u>
C/ Manual Workers (non-agricultural)		
Foremen & Supervisors	2.6%	3.3%
Skilled Manual	22.5%	34.2%
Semi-skilled Manual	11.0%	14.7%
Unskilled Manual	8.6%	9.8%
Total	<u>44.7%</u>	<u>62.0%</u>
D/ Agriculturalists		
Farmers - employers & Managers	4.3%	1.8%
Farmers - own account	6.6%	1.0%
Agricultural Workers	10.1%	3.9%
Total	<u>21.0%</u>	<u>6.7%</u>
E/ Own Account Workers (excluding professionals & farmers)		
	5.1%	2.0%
F/ Armed Services		
	2.0%	1.3%
G/ Indefinite		
	1.7%	0.8%
All groups	<u>100%</u>	<u>100%</u>

Source: 1961 Census

Table III: Crofts: Number of Working Units by area & arable acreage in 1965

Area	Arable Acreage					Totals
	Up to 5	5 - 10	10 - 20	20 - 30	Over 30	
Argyll						
Mainland	314	105	61	16	28	524
Islands	92	108	130	70	63	463
Caithness	121	133	190	101	325	870
Inverness						
East Mainland	128	115	106	47	126	522
West "	166	98	46	14	8	332
Skye & Small Isles	833	558	292	71	38	1792
Outer Isles	650	569	586	210	197	2212
Orkney	44	68	105	81	223	521
Ross & Cromarty						
East Mainland	80	88	120	68	176	532
West "	839	205	74	10	10	1138
Lewis "	2535	759	108	8	3	3413
Sutherland						
East	204	206	184	54	52	700
West	611	187	88	17	20	923
Shetland	1182	594	272	52	62	2162
Totals	7799	3793	2362	819	1331	16104

Note: The numbers of Working Units (given above) is smaller than the number of individual crofts as one man may work more than one croft.

Source: The Crofters Commission, Annual Report for 1965.

distribution of crofts in 1965: the main crofting areas are the Outer Isles, Shetland and Skye. The same table also illustrates the tiny nature of most of the holdings, only a very few are large enough to provide a full-time living and many crofters also have another occupation such as weaving (on Lewis) or inshore fishing. The crofting townships are further distinguished by a feature common to many other parts of the Highlands - an unbalanced age structure with a high proportion of people over 65.⁷

At the other end of the social scale are the 'lairds', many of whom are absentees. The estates of the largest landowners are vast, but nowadays their economic importance, for good or evil, is probably, except in a few areas, only small.

The Highlands are the home of Gaelic and though the total Gaelic-speaking population had shrunk to about 80,000 by 1961 there were still parts of the West where it was the everyday tongue. Table IV shows the distribution of the language: Skye and the Outer Isles are the main centres but there are substantial numbers of Gaelic-speakers on the other Hebridean Islands and the North West Mainland. Shetland, Orkney and much of Caithness were never Gaelic areas.

In religion too the Highlands are distinctive. They are the home of the Free Church of Scotland and the Free Presbyterian Church, the most fundamentalist and puritanical of the presbyterian churches. Their rigid morality, which condemns such things as music and dancing within the Highland communities, led one Presbytery to declare that bed-and-breakfast was a source of 'moral and spiritual degradation'.⁸ Such attitudes have an obvious bearing on attempts to develop tourism and the efforts of a Skye minister to prevent the introduction of Sunday ferries are well known. More recently the Lewis and Harris Lords Day Observance Society came into

7. Ibid. p.136-7.

8. Quoted by G.A. MacKay, "Regional Planning Problems: Scotland" in M. Broady (Ed.) Marginal Regions (Bedford Square Press, 1972), p.25.

Table IV: Numbers and Percentages of Gaelic Speakers by Area

Area	Total Population	Gaelic Speakers	% of Gaelic Speakers
Shetland	17812	18	0.10%
Orkney	18747	46	0.25%
Caithness	27370	233	0.85%
N.W. Sutherland	3961	1575	39.8%
S.E. Sutherland	9546	847	8.88%
Wester Ross	6807	3276	48.1%
East Ross	28898	1520	5.26%
East Inverness-shire	52293	3303	6.32%
Skye & Small Isles	7941	5682	71.5%
Outer Hebrides	32609	26840	82.3%
Lochaber & W. Argyll	14061	3285	23.3%
Argyll Islands	7936	4305	54.2%
Argyll Mainland	49962	4729	9.47%
<hr/>			
Total, Crofting Counties	277,948	55,659	20.0%
Total, Scotland	5,179,344	80,978	1.56%

Note: Not all 'Gaelic speakers' necessarily use Gaelic as their first language.

Source: 1961 Census.

(The statistical areas are the same as those used in Table I and shown in Map I except (i) Lewis & Harris and Uists & Barra have been combined into 'Outer Hebrides'; (ii) Inverness & Badenoch have been combined into 'East Inverness-shire'; (iii) the three areas of East Argyll have been combined into 'Argyll Mainland'; (iv) the Small Isles are included with Skye rather than Lochaber and several small islands have been transferred to 'Argyll Islands').

conflict with the proprietor of "Acres" hotel in Stornoway who persisted in opening for Sunday drinking. It looked for a time as if the Society would force a Veto Poll but it is perhaps an indication of the decline in the power of religion that "Acres" is still open on a Sunday.⁹ Alongside the strict presbyterianism of most areas are small pockets of Catholicism that have survived since pre-Reformation times. In the Isles, Barra and South Uist are the largest Catholic centres, and among the mainland examples are the West Coast areas of Moidart and Knoydart.¹⁰ In general the Catholic Church seems to have a more liberal attitude to the traditional Highland amusements.

To complete their distinctiveness the Highlands have persistently refused to follow the conventional pattern of the British two-party system.¹¹ Even since 1884 when the Crofters got the vote and gave their support to the Crofters Party, the six constituencies making up the Crofting Counties have been a haven for smaller parties. Even in their doldrums of the mid-fifties, the Liberals - in the shape of Jo Grimond - managed to hang on to Orkney and Shetland and in 1964 they swept through the Highlands gaining Inverness, Ross and Cromarty, and Caithness and Sutherland. Labour kept the Western Isles, captured and defended by Malcolm Macmillan since 1935, and the Conservatives retained Argyll - the most consistent (least Highland?) seat - with Michael Noble. In 1966 the only change was in Caithness and Sutherland where Robert MacLennan for Labour beat George MacKie, the incumbent, but in 1970 another small party - the Scottish National Party - managed to get a foothold and incidentally chalk up their first win in a General Election, when Donald Stewart gained the Western Isles. In the same election Alasdair MacKenzie was beaten in Ross and Cromarty by the Conservative candidate, Hamish Gray.

9. Glasgow Herald, 28/9/72 and 24/11/72.

10. F. F. Darling, West Highland Survey (Oxford U.P., 1955) p.315.

11. J. G. Kellas, The Scottish Political System (Cambridge, U.P., 1973), p.221.

In Inverness on the other hand, Russell Johnstone seems to have established himself firmly (albeit, like every other Highland M.P., on a minority vote).¹²

It is commonly reckoned that the candidate is of primary importance in Highland elections and this seems to be borne out by election results.¹³ Malcolm Macmillan probably retained the Western Isles for all those years and almost certainly lost them in 1970 for personal rather than party reasons; the explanation for Jo Grimond's success is similar and further evidence is provided by Sir David Robertson who sat as a Conservative for Caithness and Sutherland from 1950 to 1959 when he resigned the Whip, because he did not consider the Government were doing enough for the Highlands, and won as an independent. Kellas argues that peripheral areas like the Highlands need 'political entrepreneurs' - men who link the local community with the centres of government - and it seems likely that the successful M.P.'s are those that best perform this 'entrepreneurial' function.¹⁴

Local Councillors tend to be independents, though some of the burghs - Labour controlled Campbeltown is the most notable example - have members with party labels. According to Magnusson's survey (which needs to be treated with considerable caution because of the selectivity of the response)¹⁵ the average age of County Councillors was around 58 and there were very few Manual-Workers, Crofters or housewives on the Councils.¹⁶ On the other hand the landowner/farmer group who might be expected to dominate only provided some 26-27% of the Councillors, though this of course is not a measure of their influence.¹⁷ In Inverness-shire particularly, many large land-owners such as Lords Lovat, Burton, and Macdonald and Colonel Cameron of Lochiel, held Committee Chairmanships in the period considered in this thesis.

12. These results are summarised in Table V.

13. Kellas, p.223.

14. Ibid, p.225-6.

15. Which was only 60% of the total and almost certainly biased - perhaps in favour of the more active and more educated councillors? M. Magnusson, "Highland Administration" in Thomson & Grimble (eds.) The Future of the Highlands (Routledge & Kegan Paul, 1968), p.259-260. Magnusson says however that the County Clerks filled in some missing information.

16. Ibid, p.300-301.

17. Ibid.

Table V: Summary of Election Results in Highland Constituencies 1959-70

<u>Party</u>	<u>Number of Seats won</u>			
	<u>1959</u>	<u>1964</u>	<u>1966</u>	<u>1970</u>
Conservative	3	1	1	2
Independent Conservative	1	0	0	0
Labour	1	1	2	1
Liberal	1	4	3	2
Scottish National Party	0	0	0	1

A list of all the voluntary groups that have an interest (in one or both senses of the word) in the Highlands would be extensive but the overwhelming majority of them would not have a mainly Highland membership. Indeed the point about a region like the Highlands with its extensive and beautiful tracks of undeveloped land is that it attracts the attention of many groups concerned with tourism, sport, recreation or conservation who may only have the most minimal Highland membership; that is to say their interest is in the Highlands as an area, irrespective of where their members come from. A (fairly random) list of such bodies could include the Caravan Club, the Camping Club of Great Britain and Ireland, the Scottish Wildlife Trust, the Association for the Preservation of Rural Scotland, the Scottish Mountaineering Club, the Scottish Federation of Sea Anglers, the British Federation of Land Sand Yacht Clubs and the Automobile Association. The National Trust for Scotland might be added here except that for various reasons I have chosen to consider it as an administrative body and it therefore finds itself in the next section.

Secondly there are groups whose interest in the Highlands derive from local members but which are dominated by non-Highland interests and spend relatively little time concerned with specifically Highland matters, e.g. the British Hotels, Restaurants and Caterers Association, the Association of County Councils, the Confederation of British Industries (very poorly represented in the region) and a number of unions such as the Transport and General Workers Union - which represents farm workers in Scotland. The Scottish Trade Union Congress might be included in this group except for the fact that, despite a dearth of members north of the Highland line (a simple result of a small manufacturing sector), the S.T.U.C. does in fact give quite a lot of thought to Highland affairs. As we shall see in Chapter 4, they were the group who most consistently pressed for a development board and since the War they have organised numerous conferences in

and about the Highlands.

Thirdly there are the groups that are either Highland in origin or, more often, are especially concerned with Highland matters, for one reason or another. The most important of these are probably An Comunn Gaidhealach, the Federation of Crofters Unions, the Scottish Landowners Federation, the Scottish Woodland Owners Association and the National Farmers Union of Scotland; something more needs to be said about each of these.

An Comunn Gaidhealach is not the only organisation dedicated to the preservation of Gaelic (there is also the Scottish Language Society - Comunn na Camrain Albannaich, for instance) but it is the largest and best known. Founded in 1891, its biggest single achievement is the organisation of the National Mod, though nowadays its leaders are anxious to get away from the idea that their main function is to arrange a sort of "mammoth jamboree".¹⁸ Other activities include, or have included, pressure for the teaching of Gaelic in schools, educational publishing, running Youth Camps and Summer Schools and more recently 'the promotion of the social and economic welfare of the Highland area',¹⁹ though one suspects there is more hope than concrete achievement in this last category. The headquarters of An Comunn are at Inverness and in our period (1965-70) it was organised into two regions (North and South); since then a third region - the Western Isles - has been added. It has some 62 branches, over 4,000 members and a permanent staff of 10 headed by a Director; in 1970 an Assistant Director with an office in Stornoway was appointed, and there is another office in Glasgow. At the head of the organisation is an Executive Council and President.²⁰

The Federation of Crofters Unions is, as its name suggests, an association joining together a number of individual territorial units. The various

18. G.N.Burns, "An Comunn Gaidhealach", University of Edinburgh Journal, Dec. 1971, p.132 and 133. Burns (the Director of An Comunn) does not accept that the Mod is just an entertainment but considers that it gives 'positive encouragement to the language'.

19. Ibid, p.134.

20. Ibid, p.133.

Crofters Unions were originally formed in the late 19th Century to fight for improvements in the Crofters' position but with the decline in poverty and insecurity they had become largely moribund by the post-war years. Two proposals, one to change the rating position of crofters and the other the Crofters Commission's recommendation for amending legislation in 1959 (see Chapter 2) brought about their revival ²¹ and in July 1962 the Federation was set up. ²² To begin with it seemed to incline towards state ownership of all crofting land but after discussions with the Crofters Commission it came round to favouring owner occupation, as did the Commission itself. ²³ The Crofters Unions provide representatives on the Crofters Commission's Panel of Assessors. ²⁴

The Scottish Landowners Federation claims to be "the only body representative of rural land ownership in Scotland." ²⁵ It has a sort of division of labour with the Scottish Woodland Owners Association and the N.F.U., the former representing owners in so far as they are foresters, the latter representing them when they are agriculturalists (it also represents tenants too) and the landowners federation itself representing them simply as owners. Formed in 1906 its aims are avowedly political: (i) "The encouragement of legislative or administrative measures for the development of land and property....." and (ii) "The defence of the rights and interests of all persons connected with the land against injurious legislation or administration and exceptional and oppressive taxation." ²⁶ It also attempts to assist its members to solve any problems they might have in the management of their land. The Federation calculate that of the roughly 16½ million acres of agricultural land, rough grazing and woodland in Scotland (of which some 2 million acres ^{are} publicly owned), their membership covers approximately

21. Crofters Commission, Annual Report for 1960, p.7 and 1961, p.21-22.

22. " " " " " 1962, p.24.

23. " " " " " 1966, p.13-14 and 1967, p.9.

24. " " " " " 1966, p.9.

25. Select Committee on Scottish Affairs (sub-committee A), Session 1971-72 "Land Resource Use". Minutes of Evidence, 1/2/72, House of Commons Paper 51-VI, p.143.

8½ million acres.²⁷ This membership includes both large and small owners but the "man who simply owns his own farm and nothing else" is relatively less well represented.²⁸ They oppose the Crofters Commission's plan for converting crofts to owner occupation, suggesting instead that only the house and garden go to the Crofter, the rest of the croft land being made available "for consolidation and reorganisation".²⁹ The Landowners Federation (like the Woodland Owners and the Farmers Union) is far from being a purely Highland body though that region probably gets a disproportionate amount of attention.

Until 1959 private foresters were not represented other than through the Landowners Federation but in that year, as a result of recommendations made by the Committee on Marketing of Forest Produce (the Watson Committee), the Scottish Woodland Owners Association (S.W.O.A.) was formed. By the early seventies the area of managed private Woodlands stood at 600,000 acres (Forestry Commission had just over 900,000 acres) and S.W.O.A. had 1,400 members, who between them owned about 370-380,000 acres; over half of the members were only small timber growers with less than 100 acres.³⁰ About 3,500-4,000 people were estimated to be wholly or partly employed in private woodlands.³¹ Like the N.F.U. but not the Landowners Federation, S.W.O.A. stands in an ambiguous relationship towards the government for while it is a pressure group pushing hard for more support for forestry (in face of strong Treasury scepticism) it also cooperates with the Forestry Commission to perform a number of administrative tasks concerned with such things as marketing, education and training, and research.³² As well as support of commercial forestry the Association also takes an interest in the

27. Ibid.

28. Ibid, p.149.

29. Ibid, p.147.

30. Select Committee on Scottish Affairs, Minutes 28/3/72, H. of C. 51-xiii p.363 and Minutes, 18/1/72, H. of C. 51-iv, p.87. For detailed breakdown of membership see S.W.O.A. Ltd., Report of National Board and Statement of Accounts 30/9/72, p.13.

31. Select Committee, Minutes 18/1/72, H. of C. 51-iv, p.89.

use of woodland for the purposes of shelter and environmental improvement.

Less needs to be said about the National Farmers Union of Scotland as the role of farmers unions in the political process has been the subject of much more discussion than any of the other groups.³³ The Scottish N.F.U. is organised into a number of Committees and sub-committees, some of which, like the Highland Committee and the Crofters Committee, deal solely with issues relevant to the Highlands, while others, like the Hill Farming Sub-Committee, concern matters which are very important to the region though not confined to it. Some of these committees spawn their own sub-committees dealing with particular issues or areas, such as the Moray Firth sub-committee of the Highland Committee, which from 1969 collaborated with H.I.D.B. in a study of the effect on agriculture of the various urban and industrial developments that were beginning in the area.³⁴ As might be expected the general line of the N.F.U. towards (non-agricultural) development is that only in the most extreme cases should it be allowed to use up good farming land.³⁵

The final category of interest group that deserves a mention is that containing the one-issue groups whose concerns involve the Highlands. The activities of the Scottish Vigilantes Association in fighting against the beeching proposals to close the Highland railways are described in Chapter three and the Easter Ross Land Use Committee, a farmers' group pressing for the preservation of agricultural land against the encroachment of industry on the Cromarty Firth, will play a big part in Chapter Six (Moray Firth Development). Two other single-issue groups perhaps deserve mention. One was the "North of Scotland Sponsoring Committee" whose aim was to persuade the U.G.C. to set up a University of Inverness. They were active in the early sixties and by the time H.I.D.B. came onto the scene they had already

³³. See for instance P. Self and ^{H.G. Storing} ~~S.G. Storing~~, The State and the Farmer (Allen & Unwin, 1962). This actually deals with the National Farmers Union of England and Wales, but the Scottish position is not very different.

³⁴. H.I.D.B. 4th Report, 1969, p.87 and 5th Report, 1970, p.28.

³⁵. Select Committee, Minutes 25/1/72, H. of C. 51-v, p.113.

lost to Stirling. More recently - at the end of the period under consideration - the "Save the Kyle Railway Line Committee" was created to do just what its name suggests. It is still active. And more recently still, developments related to North Sea Oil have caused the formation of a number of local groups; but this takes us outside the 1965-70 period.

The Administrative Environment

In his chapter on Highland Administration, Magnus Magnusson quotes one Farquhar Macintosh, a Skye headmaster, who in a letter to the 'Glasgow Herald' counted forty-seven different bodies with some responsibility for administering the Highlands.³⁶ One wonders why he got so few: appendix VI to the Highlands and Islands Development Board's memorandum to the Select Committee on Scottish Affairs in 1969 lists "Departments and Bodies etc. connected with the Highlands and Islands and with whom the Board have contact" and names well over fifty not counting local authorities or private associations. Even then one of the members of the Select Committee complained that the list was not exhaustive; indeed it is fairly easy to find omissions. But mere enumeration is not a very instructive game and besides it is quite irrelevant to the Highlands as such. For, apart from local bodies, which would be replicated elsewhere, only six of the many agencies with some responsibilities in the area in 1965 (before the introduction of H.I.D.B.) were specifically Highland bodies: the Highlands and Islands Advisory Panel; the Highland Transport Board; the Crofters Commission and the Red Deer Commission - all Government appointed bodies - and the Highland Fund and Highland Home Industries which are closer to the non-government end of the spectrum. Perhaps MacBraynes ought also to be

36. Magnusson, p.246.

mentioned but that was (in 1965) an off-shoot of the Transport Holding Company which had wider National responsibilities. The Multiplicity of administrative agencies is, therefore, a national rather than a Highland phenomenon,³⁷ the exceptional thing about the Highlands being the small number of people at the receiving end of all this administration; they suffer from a system designed for densely populated areas.

It is hardly possible to give an adequate description of all the administrative agencies that may at some time play a part in the Highlands. To begin with this would mean mentioning all the Whitehall departments as even the Ministry of Agriculture, Fisheries and Food has some responsibilities in Scotland (e.g. control of operations against foot and mouth disease). Obviously a selection has to be made on the grounds of importance and relevance. The relevant agencies for our purposes are those concerned with the regional economy, its development and with land use. At the level of Great Britain departments, taking 1965 as the base year, this meant chiefly the Board of Trade and the Ministry of Labour and secondarily the Ministries of Technology, Aviation, and Transport, and the Department of Economic Affairs. Perhaps mention ought also to be made of the Treasury not only for its role in the overall direction of the economy which would of course effect the Highlands like the rest of the country, but also because it is the department that services the Development Commission (see below). The importance of the Board of Trade lay in its responsibility for the issue of Industrial Development Certificates and its power to offer grants and loans to firms starting up in Development Districts (which included all parts of the Highlands). In order to try and coordinate the Board's duties concerning the distribution of industry with the interests of other departments in Scotland there was an interdepartmental committee called the Distribution of Industry Panel for Scotland to discuss such

37. Or even an international one cf. Wood's 1400 govts. mentioned in Chapter One.

matters. The Ministry of Labour's functions in Highland development were the obvious ones of the provision of Labour Exchanges and industrial and vocational training. Both the Ministry of Labour and the Board of Trade, although H.G.B. departments, had sizeable regional offices in Scotland based in Edinburgh and Glasgow respectively. The Ministry of Transport had responsibility for British Railways, the Transport Holding Company which controlled the Scottish Bus Group - providers of bus services in the Highlands - MacBraynes, and the British Waterways Board (whose responsibilities in the Highlands were the Caledonian and Crinan canals). It was not however in charge of roads or of subsidies to shipping services to the Islands. The organisation of transport, which is complex, is discussed in more detail below. Highland airports at this time came under Aviation and the United Kingdom Atomic Energy Commission's establishment at Dounreay under Technology. Finally we have the Department of Economic Affairs, newly formed in 1965, with overall responsibilities for economic planning in general and regional development in particular. The Secretary of State for Scotland, working through the Regional Development Division at the Scottish Office, shared with the Secretary of State for Economic Affairs responsibility for Scottish economic development and to this end two instruments were created - the Scottish Economic Planning Council and the Scottish Economic Planning Board. (These bodies replaced the Scottish Board for Industry, a Board of Trade off-shoot). The first was a broadly based advisory body consisting of (nominated) individuals from industry, local government, the trade unions, the universities, etc. and the second, which did the details of planning work, was made up of senior officials from the Scottish Office, Board of Trade, Ministry of Labour and other relevant departments. The Board was chaired by the Assistant Under Secretary of State who headed the Regional Development Division and both

of the above bodies were serviced by this Division.

From 1965 to 1970 these G.B. departments underwent a bewildering variety of transformations. The Ministry of Aviation disappeared entirely in 1966, its airport and civil aviation functions, going to the B.O.T. and most of the rest to the Ministry of Technology. Mintech itself grew prodigiously, picking up odd functions from the ailing D.E.A. and in 1969 absorbing the whole Ministry of Power, as well as assorted bits of the B.O.T. such as responsibility for investment grants and Industrial Developments Certificates (B.O.T.'s powers in the field of regional development had grown enormously between 1965 and 1969 - see chapter 4). However, Mintech suffered the same fate as the old lady who swallowed a horse and after the 1970 election it was merged with the B.O.T. to form the mighty Department of Trade and Industry. The D.E.A. was by this time already dead, its functions parcelled out to the Treasury, Mintech and the Department of Employment and Productivity - a refurbished Ministry of Labour with prices and incomes responsibilities. The change of mood after the 1970 Conservative victory meant that prices and incomes policy and economic planning were no longer seen as wholly good things so the Department of Employment and Productivity became the plain Department of Employment, and the Scottish Economic Planning Council became the more neutral (or neutered) sounding Scottish Economic Council with its organisation cut down. Finally the Ministry of Transport lost some of its responsibilities in Scotland with the 1968 Transport Act (see below) and was later combined with the Ministry of Housing and Local Government and the Ministry of Public Buildings and Works to form the Department of the Environment which is not of great importance in Scotland, (other than through its and 'public building/works' function).

The other section of the central government with duties affecting

Highland development is of course the Secretary of State for Scotland and his four departments collectively making up the Scottish Office. The departments are the Scottish Home and Health Department, the Scottish Education Department, the Department of Agriculture and Fisheries for Scotland and the Scottish Development Department. The last two are the more important for our purposes. The Department of Agriculture and Fisheries for Scotland was, in 1965, the department chiefly concerned with Highland Development in all its aspects. Apart from its involvement in the purely agricultural field - with price support, subsidies, grants and loans for land improvement and the like - it was the body with overall responsibility for harbours, ferries, steamer services and related matters in the Highlands, the department in charge of rural development through which Development Fund money was allocated, (see below), the servicing organisation for the Highlands and Islands Advisory Panel, (which however was wound up in 1965), the department responsible for the Crofters Commission and the Red Deer Commission as well as the department involved with all aspects of Scottish fisheries. As in England, help in the performance of certain agricultural functions was given by advisory committees and Agricultural Executive Committees consisting of farmers nominated by the Secretary of State and organised by areas (consisting of groups of counties).

The Scottish Development Department, established in 1962 after a reorganisation of the Scottish Office, was responsible for physical planning, housing, electricity (but not gas or coal which were under the Ministry of Power) water supplies and sewerage, local government and roads. The aspects of its work most closely related to Highland development were its responsibilities for Highland roads, the North of Scotland Hydro-Electric Board, and the development of the Tourist potential of

the countryside. In 1968 there was a major transfer of responsibility for rural development from D.A.F.S. to S.D.D. in which the latter won responsibility for the disbursement of Development Fund money (and therefore also for the organisations dependant on that money), for shipping services in the Highlands and Islands and for the Highlands and Islands Development Board. In the same year the Countryside Commission was created and the Transport Act set up the Scottish Transport Group. In 1969 a Statutory Scottish Tourist Board was formed. These bodies were under S.D.D., so that by 1970 it could be called the chief 'Highland development' department.

From central government to local, and the local authorities that have most importance for this study are the Councils of the seven counties of the area plus the one large burgh (Inverness). The Councils of the 20 small burghs and, to an even greater extent, the 65 districts have only minor powers that are relevant to development. The importance of the County Councils lies in their physical planning and infrastructural powers - granting planning permission, building non-trunk roads, provision of sewerage and water supplies and the like. (Though since the 1967 Water (Scotland) Act water supplies have been the responsibility of regional water boards and not Counties). One of the most notable things about Highland County Councils is their poverty - because of low rateable valuation, a large proportion of their income has to come from Government grants. In Orkney, Sutherland and Zetland over 70% of the relevant local expenditure was paid for by exchequer equalisation grant in 1959-60; only in Argyll did this figure drop to below 40% - and this does not include Government grants for specific undertakings.³⁸ With large or widely scattered areas (often separated by water) to administer and little

38. Review of Highland Policy, Cmd. 785 (H.M.S.O., 1959), p.10.

revenue to do it on, this alone would be likely to hamper the development effort of the local authorities.

In addition to what may be called the orthodox branches of government - the central departments and local authorities - modern administration breeds a very large number of ad hoc agencies - committees, commissions, boards and associations. with varying constitutions and functions. In any discussion of Highland administration, again taking 1965 as the base year, would have to mention the following at least: the Forestry Commission; North of Scotland Hydro-Electric Board; Crofters Commission; Red Deer Commission; Highlands and Islands Advisory Panel; Highland Transport Board; Herring Industry Board; White Fish Authority; United Kingdom Atomic Energy Authority; Development Commission; Nature Conservancy; the North of Scotland College of Agriculture and the West of Scotland Agricultural College; Scottish Country Industries Development Trust; Highland Fund; Highland Home Industries; Scottish Agricultural Organisation Society and the societies affiliated to it; National Trust for Scotland; Scottish Council (Development and Industry); Scottish Council of Social Service and the various local Councils of Social Service; Scottish Land Court; Scottish Tourist Board; the relevant off-shoots of the Transport Holding Company, i.e. MacBraynes and the Scottish Bus Group. Perhaps mention should also be made of the Agricultural Research Institutes; the Marketing Boards (Wool, Milk, etc.), the Scottish Craft Centre and the Industrial Estates Management Corporation for Scotland (later renamed the Scottish Industrial Estates Corporation) which was to be given the power to act as agent for the Highlands and Islands Development Board in the management of land and the erection of buildings (e.g. advance factories).

Each of these bodies had carved itself a niche by the time that H.I.D.B. was created and the introduction of the latter brought about very few administrative casualties. The Highlands and Islands Advisory

Panel disappeared, its advisory work going to H.I.D.B. itself and to its Consultative Council. The Highland Transport Board, which anyway had only been appointed for three years in 1963, was wound up after it produced its report late in 1966 - oversight (but not executive powers) of Highland transport also passing to H.I.D.B. Apart from this the only change was that the Scottish Country Industry Development Trust was limited in its work to counties other than the seven crofting ones. During 1965-70 there were other changes: a Countryside Commission for Scotland was created, the Scottish Tourist Board became a statutory body, the Scottish Transport Group was formed and took over the Scottish duties of the Transport Holding Company, a Joint Committee of Industrial Training Boards for the Highlands and Islands was constituted and there were various smaller changes which are mentioned below.

It should not be thought that all the bodies that have been cavalierly lumped together above in fact belong to the same species of organisation. Not only do they differ widely in size and range of activities, they have also, more crucially, very different relations with the government. For although, (as was said in chapter one) it is not possible to draw a clear line between bodies that are state, governmental or 'public' organisations and those that are non-state, non-governmental or 'private', nevertheless some of the agencies mentioned can definitely be called government bodies whereas others come much nearer the private end of the spectrum. To give examples of the range: the Forestry Commission is in some ways like an ordinary department receiving its money by direct parliamentary vote and also directly responsible to a Minister (or rather three ministers - in 1965, the Minister of Land and Natural Resources in England and the Secretaries of State for Scotland and Wales in those two countries). On the other hand its staff are not recruited as ordinary civil servants and it is headed by a specially appointed body of Commissioners. Bodies like the Herring

Industry Board and the Crofters Commission, though statutory, differ from the Forestry Commission in being financially and politically directed through other departments - in the case of the Crofters Commission it is D.A.F.S. The Highlands and Islands Advisory Panel had no statutory powers or duties but was wholly government appointed whereas the Scottish Tourist Board, also non-statutory (in 1965), had some of its members appointed by the Secretary of State, some by local authority associations, and some by private bodies. The Scottish Council ^{Development} (of ~~the~~ and Industry) is similar to the Tourist Board but with a lower proportion of Government nominees. Finally the Highland Fund and the Scottish Agricultural Organisation Society have no members appointed by the Government but because they are performing functions approved of by the Government they do receive grants-in-aid - a category of not-quite-non-governmental.

How do all these organisations, whatever their relation to the Government, fit into Highland administration? In order to look at this the field can be divided up for convenience into a number of areas e.g. development of rural industries, agriculture, fisheries, tourism and recreation, and transport. Until H.I.D.B. was set up the main source of finance for the development of specifically rural industries, in the Highlands and Islands as in Britain as a whole, was the Development Commission. Set up by the Development and Road Improvement Funds Acts 1909 and 1910, mainly to promote agricultural research and advisory services and improvement of rural transport, the Commission's ~~activities~~ gradually declined as these functions increasingly became the responsibility of Government departments. This is reflected in the fact that after the Commission abandoned annual reports in 1940 another report was not produced until 1961. ³⁹ Though a shadow of its former self the Commission did

39. Thirtieth Report of the Development Commissioners for the period ended the 31st March 1961, H.C.11 (1961-62), (H.M.S.O. 1961), p.1.

not wither away entirely. Instead the Commissioners broadly interpreted the Acts and sought to fill the remaining lacunae left by the rapidly expanding government concern for 'rural development'. By the 1960's this meant they were providing money for the following things: (i) advice and instruction to rural industries; (ii) experimental schemes; (iii) Voluntary bodies; (iv) provision of rural factories; (v) marketing and cooperative schemes; (vi) research, especially as regards fisheries. ⁴⁰

The Development Commission was under the Treasury and consisted of 8 Commissioners who included (in 1965) William Scholes, a Scottish Trade Unionist who was to become a part-time member of H.I.D.B. Their job was to consider and report to the Treasury all applications for advances from the Development Fund. Such advances could be claimed by any organisation, not trading for profit, whose work was relevant to rural development. Applications are referred to the relevant Government departments for their advice and any grant or loan given is not paid direct from the Commissioner's office but through a department - in the case of Scotland it was D.A.F.S. until 1968 and S.D.D. thereafter. The Treasury can veto any recommendation made by the Commissioners but cannot advance its own. ⁴¹ It all seems an elaborately cautious and no doubt time consuming procedure for what are, after all, fairly small sums - a reflection of the possibly excessive Treasury concern that 'public money' should not be mis-spent.

Who were the beneficiaries of the Development Fund? One of them was the Scottish Country Industries Development Trust. This body, whose members are appointed by the Secretary of State after consultation with the Development Commission, assisted the development of small rural industries by giving advice and instruction and acting as agents for the Rural Industries

40. Ibid, p.2-3.

41. Ibid, p.3.

Loan Fund in Scotland. In 1968 the Trust was transformed into the Small Industries Council for Rural Areas of Scotland but long before that time its role in the Highland counties had become minimal, firstly because of a division of labour between it and the Highland Fund in 1963 over the granting of loans and then after 1965 because the same functions were performed by H.I.D.B.

The Highland Fund began life in 1953 as a completely private organisation free of any government ties. It was formed, as a non-profit making company limited by guarantee, specifically for the purpose of providing loans in the Highlands and Islands "at marginal rates of interest and without security other than the applicants character and ability".⁴² Most of its money was a gift of one businessman who contributed in all £144,945 to the Fund. In 1963 the Treasury, through the Development Commission, set up an official loan fund of £150,000 in the seven crofting countries for which the Highland Fund became agents. The Rural Industries Loan Fund administered by the Scottish Country Industries Development Trust was limited to other parts of Scotland. When H.I.D.B. was set up the Treasury Scheme was suspended and as the loans were repaid the money was taken back again by the Treasury and the Highland Fund again reverting to a more private status. In 1965 (and since) the Chairman of the Fund was John Rollo, the first Deputy Chairman of H.I.D.B.

Other Highland bodies getting money from the Development Fund, either regularly or from time to time, include Highland Home Industries,^a non-profit making body^{involved} in marketing Highland products like woollens and knitwear; various cooperatives like Shetland Knitters Association, and Hebridian Bulb Growers and Lewis Crofters Ltd. - all aided through the Scottish Agricultural Organisation Society (see below) - and, through the Scottish Council of Social Service, money is given to the various Rural Councils

42. The Highland Fund, 1971, Annual Report, p.7.

of Social Service in the Highlands; by 1965 such local councils existed on Skye, Mull and Iona, Shetland, Harris and in North and West Sutherland.

Both the Scottish Council of Social Service and the local Rural Councils are voluntary bodies with members consisting both of individuals and other organisations, particularly voluntary associations, but, in the case of S.C.S.S. at least, also trade unions and professional associations, religious bodies and the local authority association. S.C.S.S. involves itself in a variety of activities including rural development, particularly of a 'social' kind (e.g. building village halls), the welfare of the aged, the handicapped ^{and} children and the running of Citizens Advice Bureaux. Like the Scottish Council ^{Development} (C.A. and Industry) its links with the government are financial—in the financial year 1965-66, over £16,000 of its total income of £28,287 came from Government sources the largest of which was the grant of £7,185 from the Development Commission.⁴³ As is usual with organisations receiving government money, assessors from the relevant departments were members of the Council.

The S.C.S.S. has a Rural Community Development committee which deals with the topics of greatest interest to the local Rural Councils (themselves members of S.C.S.S.). These Rural Councils of Social Service, despite their name seem chiefly to deal, in the Highlands at least, with community development, including the promotion of their areas for tourist purposes, rather than 'social service' as such. They were used by the Highlands and Islands Development Board as broadly based representation bodies whose views were a good indication of opinion in the area and perhaps because of this they began to mushroom between 1965-70 with councils created in Barra and Watersay, Tiree, Islay, Orkney, Lewis, South Uist and Benbecula, Morvern, Ardnamurchan and Moidart, and Easter Ross and Black Isle. A Federation of

43. Scottish Council of Social Service, 23rd Annual Report 1965-66, p.21.

Highlands and Islands Councils of Social Service was also formed. Small grants from the Development Commission, channelled through S.C.S.S., were available and by 1970 the larger Councils—Orkney, Shetland and Lewis—had full-time secretaries paid out of Development Commission money. ⁴⁴

Clearly the Development Fund was a useful source of finance for bodies in the Highlands that would otherwise be very hard up but the sums involved were in fact very small. In 1965 over the country as a whole the Development Commission only spent £741,165 on agricultural and rural development, ⁴⁵ and there were many rural areas other than the Highlands claiming their share. Whatever proportion went to the Highlands it would have been a tiny fraction of the £35m. spent by the Secretary of State's Departments and the Forestry Commission in the area. ⁴⁶

There is another body interested in the promotion of 'the industrial and social development' of Scotland and that is the Scottish Council (Development and Industry). As a body concerned with the whole of Scotland and chiefly interested in industry its activities are not surprisingly heavily concentrated in the Central lowlands. Formed in 1946 by a merger on of the Scottish Development Council and the Scottish Council/Industry it is, like the S.C.S.S., a voluntary body whose members consist mainly of other organisations with a sprinkling of private individuals. In this case the organisations are Companies, banks, Chambers of Commerce, Trade Unions, local authorities and their associations. The Secretary of State for Scotland nominates the Chairman and two members of the executive, thus giving the body a semi-official status. Other members of the executive are supposed to represent the various member organisations. The Council receives a government

44. S.C.S.S., 28th Annual Report 1970/71, p.13.

45. Aspects of Rural Development, 32nd Report of the Development Commissions for the three Years Ended 31st March, 1965, H.C.100 (1966-67) (H.M.S.O. 1966) p.37. A further £801,407 was given towards fisheries research.

46. H. C. Deb., Vol.725, Cols.287-8.

grant but it is a fairly small proportion of its total income (some of which also comes from local authorities through their membership). Its work is mainly promotional and educational including the setting ^{up} of committees of inquiry, and it played a part in getting Wiggins Teape to come to Lochaber. (see chapter 3).

The main industry in the Highlands is agriculture and that is the province of the Department of Agriculture and Fisheries for Scotland with its executive committees and field officers. In addition to D.A.F.S. the colleges of agriculture play an important part in research and educational work. The seven crofting counties are divided between two of Scotlands', ^{of} 3 colleges and neither / them are chiefly concerned with the problems of hill farming. Argyll comes under the West of Scotland Agricultural College in Glasgow and all the other counties are under the North of Scotland College of Agriculture in Aberdeen. It was a division that particularly incensed Fraser Darling in the West Highland Survey. ⁴⁷ In addition to the Colleges are the various specialised agricultural research institutes, e.g. the Macaulay Institute for Soil Research and the Hill Farming Research Institute, doing work work of varying relevance to the Highlands.

Cooperatives have their own special body, ... the Scottish Agricultural Organisation Society Ltd., -"the central organisation in Scotland for the promotion and organisation of cooperation in agriculture, horticulture, fisheries and rural industries."⁴⁸ As this description suggests S.A.O.S. does not trade on its own account but offers a management consultancy and accountancy services for the cooperatives affiliated to it. By 1970/71 there were 26 affiliated societies (not counting rabbit clearance societies) in the Highlands, 14 of them in Orkney alone. Other members of S.A.O.S. include the Federation of Crofters Unions, the National Farmers Union of Scotland, the Scottish Landowners Federation and private individuals.

47. Darling, p.360.

48. Scottish Agricultural Organisation Society Ltd., 65th Annual Report, 1971.

cooperatives

S.A.O.S. is a sort of cooperative of ~~co-operation~~ with each member,

individual or ~~co-operative~~ ^{corporate} holding one £1 share. Although once again it is an apparently private body it is performing services considered desirable by the government and over 80% of its income comes from D.A.F.S. 49

S.A.O.S. is the channel through which money from the Development Commission to individual cooperatives passes and it also manages a credit giving body of its own called Agri-Finance (Scotland) Ltd. Prophet Smith, one of the members of H.I.D.B., was until 1965 a senior member of the Society's staff.

One aspect of the agricultural situation in the Highlands is unique: crofting. This has its own administrative bodies consisting of the Crofters Commission and the Scottish Land Court. The background to crofting and the work of the Commission are described in chapter 3, here it is only necessary to look at its organisational aspects. The Crofters Commission is an ad hoc statutory body with powers and duties defined by the Crofters (Scotland) Acts 1955 and 1961. In 1965 it consisted of one full-time member, James Shaw Grant, and seven part-time members, one of whom, J.C. Robertson, left in that year to become a full-time member of H.I.D.B. All the members of the Commission were appointed by the Secretary of State for Scotland and the Commission is accountable to D.A.F.S. ~~using~~ that department's staff in the field, as the Commission's own small staff ~~are~~ ^{are} ~~being~~ ^{are} at the head office in Inverness. Despite these ties to D.A.F.S. the Commission was anxious to establish itself in the eyes of the crofters as independent of the 'government' - perceived as being remote and unsympathetic. By 1965 the Commissioners were organised by area - each one being responsible for a part of the seven counties. The Commission also has a Panel of Assessors, a sort of consultative council selected by the Commission on the basis of recommendations by the crofters and made up of a number of people (themselves crofters) drawn from each area, actual numbers depending on the strength of

49. Scottish Agricultural Organisation Society Ltd., 65th Annual Report 1971, p.17.

crofting in the area. (e.g. Shetland has fifteen assessors and Orkney five).⁵⁰ The function of this Panel is to keep the Commission in touch with crofting opinion and^{it} is unusual in being one of the few consultative council type bc^{it} to have any pretension to popular and^{is} selection of its members.

The other institution dealing with crofting is the Scottish Land Court. In fact this body has responsibilities for the whole of Scotland but the overwhelming bulk of its work is in the crofting counties: in 1965 of 1284 applications for hearings, 1208 came from the seven counties.⁵¹ Most of its work proceeds under the Small Landholders (Scotland) Acts 1886 to 1931 and the Crofters (Scotland) Acts 1955 and 1961; it consists of rulings and decisions concerning such things as fair rents, compensation, resumption of crofting land, enlargements of holdings, and the like.

As has been noted before, crofters are by no means solely agriculturalists. Many have 'ancillary' occupations which in some cases provide the bulk of their income; fishing is one of the most important of these.⁵² In Scotland it comes under D.A.F.S. but there are also two U.K. wide statutory bodies involved in its administration - the Herring Industry Board and the White Fish Authority. Both have certain similarities - they come under a triumvirate of ministers, the Minister of Agriculture, Fisheries and Food for England and Wales, the Secretary of State for Scotland and the Home Secretary for Northern Ireland, and they are unusual among the statutory bodies discussed here in getting much of their finance from a levy on the relevant industry so that the beneficiaries of their administrative work have to pay for it. The Herring Industry Board is

50. The Crofters Commission, Annual Report for 1970 (H.M.S.O. 1971), p.39.

51. The Scottish Land Court, Report as to Proceedings, January 1965 to 31st December 1965, Cmnd. 2967 (H.M.S.O., 1966), p.22.

52. An up to date discussion of fishing administration in general is given by C.C. Hood, "Fishing Politics and Administration" (Unpublished, Glasgow University, 1972).

the older body going back to 1935, its concerns are those its name suggests - herring fisheries - and as these are concentrated in Scottish waters the Board itself is primarily a Scottish body, based in Edinburgh. As well as regulating the domestic herring industry and sponsoring research the board also has a grants and loans scheme for new boats and for processing plants which by 1965 was regulated by the Sea Fish Industry Act 1962 and subsequent statutory instruments (as was a similar scheme run by the White Fish Authority). H.I.B. consisted of a Chairman and three members and was backed up by a Herring Industry Advisory Council representing not only fishermen but the dealers on shore and consumers. In 1964 the Board gave grants totalling £27,213 and loans amounting to £40,613 in the Highlands and Islands again.⁵³ Their total expenditure was £172,047 (in the financial year 1964-65) of which some £101,470 came from the levy.⁵⁴

The White Fish Authority was only set up in its present form after the Sea Fish Industry Act 1951 but it did have a predecessor in the White Fish Commission created in 1938. It has a rather broader field than H.I.B. as it deals not only with ~~shell white~~ fish but with shell fish as well. The Committee of six members sits in London but there is a special Committee for Scotland and Northern Ireland in Edinburgh. (this was in 1965). The latter however has no power to offer money without the approval of the main Committee. W.F.A.'s functions are similar to H.I.B.'s - it regulates the industry, sponsors research and offers grants and loans. It too is supported by an advisory Committee composed of ^{of} representatives of all parts of the white fish industry plus consumers. The income of W.F.A. in 1964/65 was £1,763,733 of which £526,715 came from the levy and most of the rest was interest on loans⁵⁵ (the Authority borrows from the exchequer and re-lends at $\frac{1}{2}\%$ greater rate of interest). In the Highlands the Authority gave £26,928 in grants

53. H.C. Deb. Vol.708, cols 199-202.

54. Herring Industry Board, 31st Annual Report, Cmnd. 3003.

55. White Fish Authority Annual Report and Accounts for the year ended 31st March 1965, (H.C.246 (1964-65), (H.M.S.O. 1965), p.50.

and lent £50,133:⁵⁶ in other words though W.F.A. is much bigger than H.I.B. in terms of money disbursed it spent proportionately much less in the Highlands. Much of the most valuable white fishing is done by the trawler fleet, boats over 80ft. registered length, based in the large ports like Aberdeen, Hull and Grimsby. The Highland ports had no boats of this size and although W.F.A. also dealt with inshore fishing it appears to take more interest in the East Coast. The Herring Industry Board had a larger role in the Highlands and even had a processing factory in Stornoway, but all in all, fishing in the region, particularly on the West Coast and Western Isles, was at a low ebb by the early 1960's. It was because of this that the Highland Fund, D.A.F.S., the Highlands and Islands Advisory Panel and the Macaulay Trust (which dealt with the bequest of a Lewis man who had emigrated to Rhodesia and made his fortune) got together to set up, with the assistance of the two fishing authorities, the Outer Isles Fisheries Training Scheme which was adopted and extended by H.I.D.B. after 1965.⁵⁷

Another industry of great importance to the Highlands, tourism, took rather longer to be brought under the web of statutory authorities. By 1965 the Scottish Tourist Board, for long unsupported financially by the government⁵⁸ was still only receiving small sums. Of the board of 13, 3 members were nominees of the Secretary of State for Scotland though the 'public' complement was in reality higher as another 3 members represented the transport interests, many of which are nationalised industries. The Tourist Board engaged in publicity, promotions, making registers of approved accommodation and general exhortation of all concerned to try harder. In 1965 it received £75,000 from the Government for three years research⁵⁹

56. H.C. Deb, Vol. 708, Cols. 199-207.

57. The Highland Fund, 1971 Annual Report, p.9. For details see chap.5.

58. From choice rather than necessity - at least at first. See T. Johnston, Memories, (Collins, 1952) p.191-2.

59. Magnusson, p.281. The Tourist Board had been getting £15,000 a year from the Government since 1960.

but by the time the results were published the old voluntary Board had been replaced by a statutory body resulting from the Development of Tourism Act 1969. This act set up a British Tourist Authority as an overall coordinating body and the official organisation for selling Britain to potential visitors abroad; below it were English, Scottish and Welsh Tourist Boards. The Scottish Tourist Board is appointed by the Secretary of State for Scotland, and, like its sister Boards, engages in publicity, research etc. and also has the power to prepare and finance schemes to improve tourist facilities or to aid by grant, loan or the purchase of stocks or shares other organisations improving such facilities. On top of this the Boards are empowered to aid hotel development by offering grants and loans. It would probably be fair to say that these powers would five years before, have been rather surprising and that they were accepted in 1969 at least partly because the Highlands and Islands Development Board had paved the way. One of Scotland's chief attraction for tourists is generally considered to be its scenery, so of course it would hardly do if there were no institutions to look after it. The Countryside (Scotland) Act 1967 duly created the Countryside Commission for Scotland which began work on 1st April 1968. Its duties are to keep under review all matters relating to the improvement of facilities for enjoying the countryside, securing public access to it and conserving its natural beauty. To these ends it may initiate its own schemes and advise local authorities as to their powers under the act - such as those relating to the creation of country parks. The Commission has no full-time members - the Chairman is part-time and all the other 13 members are unpaid. They included Sir James MacKay,^a member of H.I.D.B. (and also a member of the Scottish Tourist Board). In 1969-70 the grant-in-aid to the Countryside Commission was £73,000.⁶⁰

60. Countryside Commission for Scotland, Third Report, 1st January, 1970 to 31st December 1970, p.44.

The Commission was charged with conserving the natural beauty of the countryside but the main body concerned with conservation of flora and fauna in general is the Nature Conservancy. Formed by Royal Charter in 1949 and concerned with ecology long before that subject was blessed with the accolade of fashion, the Conservancy was until 1965 an independent body of scientists (including Dudley Stamp and Frank Fraser Darling). Its functions were the conservation and control of natural flora and fauna in Britain, ecological and other relevant scientific research and creation and management of National Nature Reserves. In 1965, following recommendations of the Committee of Enquiry into the Organisation of the Civil Service, a Natural Environment Research Council, responsible to the Department of Education and Science, was created and the Nature Conservancy became part of it. The change was only relevant at the very top as the whole organisation of the Nature Conservancy was otherwise kept intact and it simply became one of the four Committees of the Natural Environment Research Council. As by far the largest area of 'wild' and sparsely inhabited country in Britain, the Highlands and Islands were a particularly important region for the Conservancy - which among other areas owns the whole of the island of Rhum.

That bit of Highland fauna that must be one of the main candidates for 'conservation and control' is the red deer, Britain's largest wild animal. Deer have come to symbolize one aspect of the Highland scene and quarrels between agricultural and sporting interests over their control have a long and singularly acrimonious history. Naturally the sportsmen were in favour of keeping numbers up and preventing poaching whereas farmers and crofters who suffered the depredations of marauding deer wanted the herds culled and the right to shoot deer on their land. This right they gained - provided the land was enclosed - in the Agriculture (Scotland) Act 1948. This act had other provisions relating to deer but these remained a dead letter as the interests continued wrangling. Not until 1959 was enough agreement

reached to pass a Deer (Scotland) Act which established a close season for shooting deer, penalties for poaching and set up a Red Deer Commission. The Commission contains a nice balance of interests - under an independent chairman there are 12 members, five representing sporting and landowning interests, five agricultural and crofting interests and two nominees of the Nature Conservancy. Their job is the conservation and control of red deer and while the conservation function only consists of giving advice, control includes such things as the shooting of marauding deer and culling stocks by agreement with the landowner. The Commission also conduct a deer census and organise deer management studies. Their powers were extended in various minor ways by the Deer (Amendment) (Scotland) Act, 1967 and the Sale of Venison (Scotland) Act 1968.

There is one other body involved in a major way with conservation - the National Trust for Scotland. It is the only institution mentioned in this section that does not receive a large sum of money from the exchequer and as it has no government appointed members on its executive it might be thought that it should be discussed under the heading of interest groups. Yet it acts more like an arm of the administration than a private interest group - a memorandum submitted by Trust said that it was analogous to the U.S. National Park Service⁶¹ and as its purposes and duties are defined by a series of acts called the National Trust for Scotland Order Confirmation Acts 1935-1961 (on top of which it is named as a beneficiary in legislature like the Historic Buildings and Ancient Monuments Act, 1953, and the Countryside (Scotland) Act 1967) it can hardly be said to be a wholly non-governmental body. Set up in 1931 with the status of a charity, it had by 1965 about 29,000 members. It is governed by a council mostly consisting of individuals elected, at least in theory, by the members and of representatives

61. Select Committee on Scottish Affairs (Sub-Committee A), Session 1971-72, Land Resource Use; Minutes of Evidence Tuesday, 8th Feb. 1972. H.C.51-vii (H.M.S.O., 1972), p.168.

of various interested bodies (which range from the City Corporations to the Scottish Mountaineering Club). Its aim is the preservation of land or buildings of historical, aesthetic or scientific interest and to this end it owns 80 properties and 80,000 acres of land. ⁶²

Transport is a major, perhaps the major source of friction between the Highlands and, especially, the Islands as a whole and the Central Government but although its organisation is sometimes ^{criticised} it is costs that ^{are} the main source of complaint. The administration of transport is in fact complex and will only be sketched here. Firstly air services, which are quite separate from the rest, came in 1965 under the Ministry of Aviation and when that was wound up in 1966 under the Board of Trade. Aviation/B.O.T. ran the Highland airports and were responsible for the Main Airline providing the services - B.E.A. In its evidence to the Edwards Committee ⁶³ H.I.D.B. asked for a special Highland network as a subsidiary of B.E.A. and the Committee agreed that the region required some special status. Roads since 1962 have been under S.D.D. It builds trunk roads, the Counties the others, but under the Crofter Counties Programme they get 100% grants for improving principal roads. ⁶⁴ In 1965 most other transport administration was governed by the provisions of the 1962 Act. This set up, under the Ministry of Transport, a number of bodies including The British Railways Board, (whose Highland responsibilities included not only railways but the Caledonian Steam Packet Co. which operated the Clyde Coast Shipping services) and the British Waterways Board responsible for the Caledonian and Crinan Canals. There was also the Transport Holding Company among whose subsidiaries were the component companies of the Scottish Bus Group, the various nationalised road freight companies and David MacBrayne Ltd. the company providing shipping, other transport, and tourist services in

62. The National Trust for Scotland, Yearbook 1966, p.38 gives the membership statistics.

63. Committee of Inquiry into Civil Air Transport, British Air Transport

in the Seventies Cmnd 4018, (U.A.S.O. 1969) paragraph 786-9.

64. Scottish Development Department, Report for 1970, Cmnd. 4625 (P.L.S. 1971), p.68.

the Western Highlands and Islands. 50% of MacBrayne's shares belonged to the Transport Holding Company and the other 50%, to Coast Lines Ltd. The Transport Holding Company as a whole was run on a commercial undertaking but MacBraynes received a subsidy from D.A.F.S. which also subsidised the private shipping lines serving Orkney and Shetland (chiefly the North of Scotland, Orkney and Shetland Shipping Co.).

All this was transformed by the 1968 Transport Act. The Transport Holding Co. ceased to be, a new National Freight Corporation taking over its road haulage subsidiaries. A Scottish Transport Group under S.D.D. was formed and this became responsible for MacBraynes, and the Scottish Bus Group Companies and the Caledonian Steam Packet Co. S.D.D. took over from D.A.F.S. responsibility for subsidies to shipping companies in the Highlands and Islands. In July 1969 the Scottish Transport Group acquired the remaining half share in MacBraynes.⁶⁵ Overseeing all this from the consumers point of view is the Scottish Transport Users Consultative Committee, appointed by the Minister of Transport up to 1968 and the Secretary of State for Scotland thereafter. They consider the services provided by the nationalised transport companies and give recommendations to the Minister/Secretary of State. Finally and peculiar to the Highlands was the Highland Transport Board commissioned in 1963 by the Secretary of State for Scotland to take a detailed look at Highland Transport for three years and to make recommendations on how it might be improved. This body had no executive powers and when it produced its report after 3 years it was wound up and its advisory function passed to H.I.D.B.

In this discussion of all the many bodies, statutory and voluntary, that play some part in the administration of Highland Development no mention has yet been made of the two that were in 1965 easily the most important in terms of money spent, jobs produced and the geographical range of their activities: the North of Scotland Hydro-Electric Board

65. Ibid, p.53.

and the Forestry Commission. The Hydro Board, to give it its popular name, spent, in the financial year 1964-65, £18.4m. on capital investment in fixed assets⁶⁶ and employed 3,725 people.⁶⁷ Not all this expenditure or employment would have been in the Crofting Counties as the Hydro Board's area extends over the whole of Scotland, north of a line joining the lower Clyde to the Tay and including Aberdeen, Dundee and Perth⁶⁸ but their major concern is hydro electric generation and much of this takes place within the crofting counties (although the Tay catchment is outside). The North of Scotland Hydro-Electric Board was formed in 1943 following the Hydro-Electric Development (Scotland) Act 1943 and was concerned only with water power. After all electricity generation and distribution was nationalised under the Electricity Act 1947 it gained responsibility for steam and diesel generators within its area as well. It is a typical public corporation, formally autonomous in day to day matters but under the general direction of the Secretary of State for Scotland through S.D.D. The Board itself has a chairman and nine members, all part time except for the general manager, and is advised in the usual way by an Electricity Consultative Committee appointed by the Secretary of State; since 1965 it has gained statutory committees on fisheries and amenity which give some more precise meaning to the vague 'social clauses' in the original acts. The Hydro Board can involve itself with industrial promotion but it doesn't seem to have^{done} so to any great extent by 1965, concentrating instead on a campaign of rural electrification⁶⁹ so that by that year 93% of all premises had electricity supplies.

N.S.H.E.B. is not the only producer of power in the crofting counties: in 1954 the United Kingdom Atomic Energy Commission came to Dounreay in

66. S.D.D. Report for 1965, Cmnd 2948 (H.M.S.O. 1966) p.33.

67. The North of Scotland Hydro-Electric Board, Report for the Year 1st April 1964 to 31st March 1965, H.C. 207 (1964/65) H.M.S.O. 1965), p.28.

68. See Map II.

69. Ibid, p.x.

Caithness. The Authority, constituted under the Atomic Energy Authority Act 1954, whose members were (in 1965) appointed by the Ministry of Technology is important in the Highlands mainly because of the employment it creates in the Thurso area.

The Forestry Commission is also a major source of jobs - it employed 3890 workers in Scotland in 1965 ⁷⁰ of which, at an estimation, somewhat less than half would have been in the seven counties. ⁷¹ Its expenditure in the Highlands was £1.5m. in 1964, 39% of the Scottish total for that year (the average is nearer 42%). ⁷² The Commission was first formed in 1919 but was reconstituted by the Forestry Act 1945 and changed again in 1965 when it was decided that a proportion of the Forestry Commission, hitherto all part-timers, should be full-time executives. After this reform the Chairman and five members remained part time but the Director General became deputy Chairman and there were three other full time members. It has already been said that the Forestry Commission received its money by a direct parliamentary vote and not through any other department and that it is under the control of three ministers. Like most of the other statutory bodies it has its advisory committees - a regular army of them in this case, one for each of the regional conservancies (there are four in Scotland), one for each nation and the Home Grown Timber Advisory Committee for the whole country. Both the Forestry Commission and the Hydro Board are under serious cross-pressures - on the one hand to be 'commercially viable', that is make as much money as they can, and on the other to accept 'social responsibilities' which means in effect doing things that are liable to lose money, like starting a plantation on not very suitable land in order to provide employment for a crofting community.

70. 46th Annual Report of the Forestry Commissioners for the year ended 30th September, 1965, H.C.97 (1966/67) (H.M.S.O. 1966), p.57.

71. Cmnd. 2864, p.143 gives the total number of those employed in connection with forestry in the Highlands, as 2,900 but this includes private forestry workers, contractors, haulage workers, etc.

Finally, a brief word about the Highlands and Islands Advisory Panel. As the activities of this body will be mentioned in the next chapter, there is very little that needs saying especially as the Panel has only slight relevance as an administrative body, partly because it had no ~~executive~~ functions and partly because it ceased to exist with the birth of H.I.D.B. It was in fact another of these advisory or consultative committees that abound, differing from most of them in that it did not advise any particular agency but the Secretary of State for Scotland himself, on all matters relating to the Highlands and Islands. It was formed in 1947 but showed most signs of life in the sixties. Some of its members, including Lord Cameron the second Chairman, went on to become members of the Highlands and Islands Development Consultative ~~Council~~ and there was a considerable overlap in membership with the Crofters Commission.

Such a large number of bodies working in the same area are an obvious source of potential problems. Firstly there are administrative lacunae, the gaps that occur when each agency thinks that such and such a thing is the responsibility of somebody else so that it is simply forgotten about by everybody. Then there are cross purposes which occur when two or more bodies are busily executing policies which seem in practice designed to have almost precisely opposite effects. The most notorious example of this in the years 1965-70 was the creation of H.I.D.B. to put money into the Highlands and the imposition of Selective Employment Tax which took it out again. Finally there are conflicts between agencies which may be simply due to organisational jealousies - a desire by each institution to be ~~king~~ of its own patch and not to have it queered by any rival body - or, more seriously perhaps, because of a real clash of interests. It is probably inevitable that if an agency is given the responsibility to look after a certain bit of the world it will become what Almond and Coleman have called an "institutional

interest group" defending its particular concern in alliance with the private ^{associational} (~~associational~~) interest groups in the same field. In other words each administrative agency has its own constituency and ~~when~~ so many aspects of life are seen as relevant fields for government activity there are bound to be clashes of interest between constituencies: the Forestry Commission's job is to plant trees, D.A.F.S. to encourage agriculture; both want to use the same land. H.I.D.B. was set up to 'develop' the Highlands, the Nature Conservancy to conserve, and so on.

This is the multi-organizational situation mentioned in chapter one with its attendant problems of coordination. One of the central governments attempted solutions - the use of overlapping lay membership ^{has} of the various boards and commissions - / the interesting result of creating a class of what J.M. Lee has called "public persons" ⁷³ but how far it has been effective is another matter. We will return to these issues again in chapter seven when we consider how H.I.D.B. fitted itself into this complex administrative matrix.

73. J.M. Lee, Social Leaders and Public Persons, (Oxford 1963).

Chapter 3: Highland Development from the 18th Century to 1965

The Highland Economy prior to 1884

In the early part of the 18th Century the 'Highland problem' as perceived by the Central Government was, not for the first time, chiefly a military problem - how to prevent the clans breaking out into open and dangerous revolt. At first the response was more or less purely repressive and even the positive contribution such as Wade's roads were of little economic importance.¹ After the Forty-Five however although repressive measures such as the banning of the kilt and the enforced disarming of the clans continued, there was also an attempt to pacify the region by turning its population to more peaceful pursuits. The Forfeited Estates Commissioners, set up to administer the estates taken from rebel lairds, used the income from the property on public works, including a grant of £3,000 per annum to the Board of Trustees for Fisheries and Manufactures to encourage the cultivation of flax and the manufacture of linen in the Highlands and Islands.² By the 1780's the Military problem had effectively ceased to exist, the kilt was again permitted, forfeited estates returned and Highlanders were recruited in increasing numbers to the British Army.

The basis of the regional economy was still at this time, as it had been in the earlier part of the century, a combination of subsistence arable farming and a trade in cattle. The chief crops were oats and bere (a sort of barley); the potato, introduced in mid-century, was gaining in importance but still took second place to meal in the diet of ordinary Highlanders. The region was not self-sufficient in these staples and meal had to be imported using the money earned by the sale of Highland

1. M. Gray, The Highland Economy 1750-1850 (Edinburgh, Oliver & Boyd, 1957), p.170.

2. J.P. Day, Public Administration in the Highlands & Islands of Scotland, (University of London, 1918), pp.83 and 287.

cattle in the Lowlands.³ Agriculture was organised according to the traditional pattern of 'run-rig', that is, after being ploughed in common, the land was divided into sections of uniform quality and each farmer would receive one portion from each section - though not all portions need be of the same size.⁴ Techniques were primitive: in some areas rather ineffective wooden ploughs needing teams of four horses to pull them were used, in others, particularly where the terrain demanded it, the more laborious but more effective cas chrom (a sort of spade) predominated. The Highland farmers' great problem was to feed his stock - horses, sheep, but above all, cattle - during the winter. In summer he could turn them loose on the hill or take them to the shieling (upland pasture); after harvest they could be allowed to feed off the stubble; but this still left a difficult period when there was simply not enough food. This problem severely limited the amount of stock any farmer could manage to keep.⁵

The rather artificial unit of the 'crofting counties' had no relevance at all in the 18th century. Orkney and Shetland (with Caithness in a marginal position) being non-Gaelic were hardly part of the Highlands at all and within the Highland area itself the distinction between the North West - i.e. the west mainland north of the Firth of Lorne and the Western Isles - and the more southerly and easterly parts (including the Highland areas of counties like Perthshire and Aberdeenshire) was already beginning to be significant. Nevertheless the Gaelic areas did have a unity due to a common culture and social structure. The latter consisted of a four class system; at the top were the clan chiefs, the landowners, below them and usually related to them, the tacksmen - tenants but with large holdings - and below

3. Gray, p.42-44.

4. Ibid, p.19-20.

5. Ibid, p.36-37.

them again the actual cultivators of the land consisting of an upper group of tenants proper, with perhaps no more than 2 or 3 acres each in the more crowded areas, and a lower group of dependents with only tiny fragments of land held from the tenants. This lowest group formed in places a majority of the population.⁶ All the tenants, from the tacksman down, had no legal title to their land but held at will with the security - or apparent security - of long tradition.

Four trends mark the agricultural economy of the Highlands in the last half of the 18th Century and the first half of the 19th: the spread of the potato, the replacement of runrig, the rise and then fall of cattle prices and the introduction of large scale sheep farming. The increase in potato cultivation, to the extent that in some parts (especially in the North West) it became the overwhelmingly important food source,⁷ meant that a greater number of people could subsist - though no more - on the same amount of land as before. In that way it helped to contribute to congestion in many areas of the North West. The distinction between this area and the more southerly and easterly parts was increased by the ~~others~~^{trends} too. The transformation of ~~runrig~~ into a system of consolidated holdings tended to produce medium sized farms and a labouring class chiefly dependent on wages (rather than the produce of their own plots) in the latter, whereas in the North West the typical result was the crofting township - a collection of small fragments of arable land not greatly ~~diff~~^{differentiated} in size together with a common grazing. Shetland (and some parts of Orkney), though outside the Gaelic area, shared this feature of tiny crofts.

The areas with fragmented holdings, not surprisingly, were the areas where 'improved' agriculture - crop rotation, the planting of turnips and artificial grasses etc. - made little headway. As long as cattle prices

6. Ibid, p.12, 18 and 21-22.

7. Ibid, p.207-8.

went on rising, which they continued to do throughout the second half of the 18th century and the first decade of the 19th, the effects of this failure were masked but with the slump in cattle prices in the second decade of the 19th century ⁸ (when the demand for kelp too was falling - see below) the people of the North-West area, always poor, were pushed nearer to the margin of subsistence.

The fourth, and perhaps most important change was the introduction of sheep farming. Sheep had always been kept in the Highlands but they were of a relatively unproductive breed whose wool was used only for domestic consumption and they did not compare in economic importance with cattle. What happened after about 1760 was that Lowland and Northumberland graziers with new breeds such as Cheviots and Black-faced Lintons began to move into the Highlands and to farm on a commercial basis with larger areas of land given over purely to sheep. The effect of this on the local population again emphasised the growing distinction between different parts of the region. In the south -Argyll and Perthshire - there were evictions but not, it seems, on a massive scale. ⁹ North of the Great Glen, where the introduction of sheep farming was more sudden, whole glens and straths were 'cleared' of their populations, to be turned into sheep walks. ¹⁰ The clearances produced hardship to the families affected and bitterness throughout the Highlands but there is no evidence that they caused depopulation ¹¹ - rather they crowded the crofters more closely together. Neither did they have the effect that many 'improvers' had hoped for - that they would make the Highland population win its living from the sea and thus be more productive; in fact Highlanders continued to be agriculturalists first and foremost, despite the tiny amounts of land available to them.

8. Ibid, p.241.

9. Ibid, p.95.

10. A fairly detailed, though highly coloured, description is made in J. Prebble, The Highland Clearances, (Secker & Warburg, 1963).

11. Gray, p.99.

The main occupation of the Highlanders, then, remained agriculture throughout the 18th and 19th Centuries, but it was not the only one - linen, kelp production and fishing all need mentioning. Linen spinning was chiefly important in Perthshire but it also affected other parts of the southerly and easterly Highlands.¹² The flax was not grown in the region nor, except in rare cases, was the yarn woven, which made the Highland industry dependent on other areas. Already by the last decades of the 18th Century it was suffering from competition from the Baltic and with the interruption of supplies during the Napoleonic War it began to wither away. Before the mid 19th Century it had died completely.

Kelp suffered a similar fate after a more spectacular rise. The collection and burning of seaweed to produce the alkali kelp, used in glass and soap making, was an industry of the north and west. Its centres were Orkney, the Outer Isles, Skye, Mull and some of the smaller Islands of the Inner Hebrides, and parts of the coast of the north west mainland - particularly Ardnamurchan and Morvern.¹³ Except in Orkney the industry scarcely existed before 1750 but after that date grew prodigiously, reaching a peak in the decade 1800-1810 when supplies of Spanish barilla, a competitor, were cut off. In the next decades however, foreign supplies were resumed and the duty on them was cut. Worse still the duty on salt, which became the chief source of alkali, was removed and the kelp industry went into an irrevocable decline. Its enormous profits had been concentrated into the hands of a few landlords and in many cases had done little but relieve their persistent indebtedness for a short while. The effect on the Highlands as a whole was simply to concentrate the population - kelp production being labour intensive - into areas where alternative methods of support were difficult to find.

12. Ibid, p.139.

13. Ibid, p.127.

The fishing industry had a more variable progress and may be divided into two parts; herring and white fishing. White fishing was important in some parts, Shetland before the 19th Century herring boom and Barra for instance, but it lacked the possibilities for spectacular gain possessed by herring fishing and over the greater part of the Highlands was not pursued seriously. In the 18th Century the herring fishing of the East coast was largely controlled by the Dutch which made Scottish merchants look all the more eagerly to the West Coast. In South Argyllshire, mainly on those lochs with outlets to the Firth of Clyde, a regular and significant herring industry did develop.¹⁴ Over the rest of the West various difficulties such as the variability in catch in any single area, the lack of equipment or capital possessed by the local people, relative distance from markets and the complexities of the salt duties kept the industry small; an important addition to diet but not a major commercial activity. Even the activities of such Government supported bodies as the British Fisheries Society (incorporated in 1786), which built harbours, stores and houses at Tobermory, Lochbay (Skye) and Ullapool¹⁵ - as well as at Wick - failed to make any impression. By 1842 the last of these West Highland fishing settlements had been sold.¹⁶

The destruction of the Dutch fishing fleet during the Napoleonic Wars plus the later repeal of the salt duty created the conditions for a boom in herring fisheries of the East coast. In the course of the 19th Century Shetland, Orkney, Caithness and Sutherland, as well as the East coast towns outwith the Highlands all developed major herring fishing industries. For the most part the West Highlands missed out on this expansion and though it provided a source of livelihood for West Highlanders this was because they

14. Ibid, p.168.

15. Day, p.251.

16. Ibid, p.258.

migrated seasonally to the East coast ports, especially those of Caithness, and became hired hands, not because they owned their own boats.

Probably during the second half of the 18th Century and certainly in the first four decades of the 19th century, the population of the Highlands as a whole was increasing.¹⁷ The distinction must once again be made between the Southerly and Easterly parts and the North-West, for whereas the former area showed little, if any, gain the latter had dramatic population increases. The most likely reason for this difference is the attraction of the Lowlands which worked much more strongly upon contiguous areas than on more remote parts.¹⁸ It is true that emigration to the colonies (which occurred in four waves between 1760 and 1850)¹⁹ affected the North-West but while a more visible, and therefore commented on, process, this did not involve nearly as many people as the gradual drift to other parts of Britain. The parishes of the North-West were able to support an increasing population partly because of the spread of the potato - which gave a higher food yield per acre than grain - and partly, until the second decade of the 19th Century, because of the kelp industry which permitted-and indeed required - a large population, dependent upon wages from kelp production.

After the collapse of kelp the Highland population continued to rise for several decades and as this was a period of a trough in cattle prices as well the inevitable result was an increase in the ^{poverty} of the population of the North-West so that in 1831 the Inverness Courier could say that "a more deep and universal distress prevails on the Western Coast than was ever before remembered."²⁰ The lowest point in the fortunes of the crofters however came with the potato famine in the years following 1845.

17. Gray, p.58. The figures for the decennial censuses since 1801 are given in A. Collier, The Crofting Problem (Cambridge U.P., 1953), p.128, but note that the unit used here is the 'Crofting Counties' rather than the Highlands more generally defined. The distinction between the South and East and the North-West is brought out in figures in Gray, p.254.

18. Gray, p.63-66.

19. Day, p.26.

20. Ibid, p.86.

The economic position of the landowners at this time, though hardly comparable with that of their tenants, was also a difficult one. Often faced with considerable rent arrears (the crofters had nothing to pay with) and sometimes bound by feelings of patriarchal duty to provide free meal to the destitute, they became more and more indebted. The majority of Highland estates in fact changed hands before 1850.²¹

The persistent economic and social difficulties of the Highlands brought the region back to the attention of the government. It would not be quite true to say that between the days of the Forfeited Estates Commissioners and the British Fisheries Society and 1840 the region was totally ignored: at the beginning of the 19th Century a number of important public works - parliamentary roads and the Caledonian and Crinan Canals - were undertaken, though in general this was a time of laissez-faire. By 1840 the Highland problem was generally perceived as being one of 'congestion' - too many people and too little land - and the obvious remedy was therefore emigration. In 1840 the Government established a Colonial Land and Emigration department and in the following year a Select Committee was appointed to consider the practicability of assisting the Highlands and Islands through emigration. The Committee reported in favour of such assistance but the lack of funds allotted to the Emigration Department prevented it from doing more than a moderate amount.²² The other response was the creation of a more efficient system of welfare to relieve destitution. This was begun in 1843 with an Act amending the Scottish Poor Law and creating a Board of Supervision to oversee its functioning.

After the 1840's the population - with some exceptions notably Lewis - began to decline.²³ But even with the population declining and increasing Government involvement, the people of the crofting areas remained crowded

21. Gray, p.194.

22. Day, p.89-90.

23. The 1841 maximum population again applies to the unit of the Crofting Counties but the detailed figures given for the West Highlands in F.F.

Darling (Ed.) West Highland Survey (Oxford U.P., 1955) pp.76-83, show that almost all parts of that area reached their maximum within 20 years of the date.

together on too little land and desperately poor. Fishing in the West remained unable to turn itself into the lucrative occupation that it was in the East though as the 19th Century progressed West Highlanders began, for the first time, to earn a larger revenue from the sea than from the land.²⁴ By 1860 eviction had ceased but the crofters remained understandably embittered and when in 1880 a 'League for the Nationalisation of the Land' was started in Scotland the reformers took up the crofters' case. Land agitation reached a climax when violence broke out in Skye (in 1882) where clearances had been extensive, and later in Lewis where there had been few evictions but there was an acute shortage of land. By this time sheep farming was itself in decline because of the competition from imported wool and sheep farms were being turned into deer forests to meet the growing demand for deer-stalking. Although the creation of deer forests did not lead to any more clearances the fact that large areas of land were given over to deer, while people were crowded together on tiny holdings, was a source of considerable irritation.

The trouble in Skye led the government to set up a Commission under Lord Napier in 1883 to investigate the conditions of the crofters. This Commission and the subsequent legislation marks the beginning of considerable government involvement in the Highlands and Islands and the 'modern period' of Highland development can be said to begin.

Crofting since 1884

The 'Inquiry into the conditions of the Crofters and Cotters in the Highlands and Islands of Scotland' by a Commission in 1883-4, usually called after its Chairman, Lord Napier, was a very thorough affair. They interviewed 775 people in a variety of local centres and supplemented the oral evidence with written depositions (which, they pointed out, had a class bias) and statistical information.²⁵ From this they concluded that though mass

24. Day, p.265-6.

25. Report of the Commissioners of Inquiry into the conditions of the Crofters & Cotters in the Highlands and Islands of Scotland, 1884, C3980, p.1.

evictions had almost entirely ceased and the population was probably no worse off than they had been at any time in the past, they nevertheless had considerable grievances: the tiny size of many holdings, insecurity of tenure, high rents, lack of compensation for improvements, withdrawal of land for sporting purposes, and (for those engaged in fishing) a lack of piers and harbours and the inability to buy boats and tackle suitable for deep-sea use. They also commented on the poor communications, defects in the machinery of justice and lack of facilities for emigration.

In their recommendations the Commissioners illustrate the spirit of their times; they are very unwilling to suggest much in the way of government expenditure (such as loans to crofters). Nevertheless they did propose some significant reforms. Townships should be recognised as statutory units and given powers and immunities such as the right not to be dissolved without the consent of a majority of their members. (this would prevent further clearances). They should be given powers with regard to the provision of fences and roads, the acquisition of fuel and, if a majority of the township agreed, they should have the right to claim money from the proprietor for the erection of fences and the construction of roads on the basis that they would share the cost with him. They could also claim an enlargement of the arable land or pasture of the township from their landlord and the Commission further recommended that new townships be formed to take some of the occupants from existing over-crowded ones. The other major reform suggested in the Napier report was the granting of 'improving leases', running for 30 years in the first instance, to those whose rent was more than £6 per annum. This would give the more substantial crofters much greater security of tenure and ensure that they received compensation for whatever improvements they made. In order to ensure that there were more holdings of a large enough size the Commissioners

no proposed that the smaller ones should be consolidated and holdings of less than £20 in rent should be allowed to be sub-divided. ~~That~~ the Commission did not propose was security of tenure for all crofters. On the contrary they took the position that all the poorer crofters (i.e. those paying under £6 in rent - the great majority) if they could not afford larger holdings should be 'resolutely though gently withdrawn' from the land ²⁶ and either become fishermen or labourers or emigrate.

This might have made good economic sense in the long run ²⁷ but it was not sound politics at the time. Feeling among the crofters and those who sympathised with them was high ('Crofters Party' candidates were being returned for most of the Highland Constituency following the extension of the franchise) ²⁸ and the Act which followed the Napier report, the Crofters Holdings (Scotland) Act 1886, was far more generous in its granting of rights. It guaranteed complete security of tenure to the crofter subject only to certain statutory conditions (e.g. no sub-letting) and allowed him to bequeath his holding to a member of his family; it gave him the right to claim compensation for permanent improvements on renouncing his holding and it allowed him to apply to the Land Court to fix a fair rent. A Crofters Commission was set up both to administer the act and, by sitting as a Land Court, to deal with its judicial aspects. The act applied only to the "crofting parishes" - defined in terms of rights to common pasturage - and the Crofters Commission was left to decide that these included all but 12 parishes (8 in Southern Argyllshire) in the seven crofting counties. A Crofter was defined as being a "tenant of a holding from year to year, who resides on his holding, the annual rent of which does not exceed £30". ²⁹

26. Ibid, p.39.

27. The Report of the Commission of Enquiry into Crofting Conditions, Cmd. 9091, (1954) (The Taylor Commission) seems to think so. (Henceforward referred to as 'Taylor').

28. Kellas, The Scottish Political System (Cambridge U.P., 1973) p.221.

29. Crofters Holdings (Scotland) Act, 1886. Section 34.

The 1886 Act followed the Napier Commission in one respect - it made provision for holdings to be enlarged, compulsorily if necessary, the Crofters Commission doing the administration. What it totally failed to mention was the position of townships; this turned out to be a mistake as it meant there was insufficient control of the common grazings and consequent over-stocking. As a remedy the Crofters Common Grazings Regulation Act 1891 was passed. This permitted the election of Township Common Grazing Committees ('the smallest units of local government in Britain') to control the grazings but because the act was purely permissive and relied on either the crofters or the landlord taking some action it often amounted to nothing. It was amended by another similarly named act in 1908 which allowed the Land Court to take the initiative and appoint Grazing Committees.³⁰

The Crofters Holdings Act of 1886 does at least seem to have given the crofters some security and put an end to the 'open lawlessness' and 'reign of terror' that the Crofters Commission colourfully insisted prevailed in the Highlands and Islands from 1882-1887.³¹ It did not however greatly improve their economic position and so two further commissions were set up to look into this: the Walpole Commission which produced two reports over the years 1890-92 and was concerned with transport and public works;³² its first report led to the Highlands and Islands Works Act in 1891; and the Royal Commission on the Highlands and Islands, appointed in 1892, to see what land might be reclaimed from the rapidly growing and very unpopular deer forests. They scheduled 1,782,785 acres of land, wholly or partly under deer, as suitable for settlement - though not all of this was to go to crofters.³³ The reports of these two Commissions led to the Congested Districts (Scotland) Act 1897 and the Congested Districts Board. This Board, headed by the Secretary of State for Scotland himself, had quite

30. Day, p.196-197.

31. Final Report of the Crofters Commission, 1913, p.xxvi.

32. First Report of Royal Commission appointed to inquire into certain matters affecting the interests of the Population of the Western Highlands and Islands

of Scotland, C.6138 (1890); 2nd Report C.6242 (1890-91).

33. Report of the Royal Commission (Highlands and Islands, 1892), C.7631 (H.M.S.O. 1895) (Deer Forests Commission) p.xxii.

wide powers within the officially designated congested districts (which amounted to some 56 parishes mostly in the West and North):³⁴ they could acquire land, drain, fence and construct roads on it and dispose of it by sub-dividing it among crofters or cotters; they could assist the migration of crofters to the areas where there was land; they could erect fisherman's dwellings and construct piers or harbours; they could give various sorts of financial assistance to agriculture, fisheries or home industries. The problem was that they were short of money and the 1897 Act gave them no powers of borrowing. Further difficulties arose because few crofters had enough capital to stock the new larger holdings and the Board had no power to help in that respect either. Thirdly there was a great unwillingness among people to migrate.³⁵ Despite all these difficulties the Congested Districts Board did manage to create 640 new holdings and 1138 enlargements of holdings in the years 1897-1912³⁶ and the Crofters Commission during its life (which ended at the same time as the Board's) also managed to enlarge holdings to the extent of 72,341 acres.³⁷

In 1911 Crofting law was significantly altered by the Small Landholders (Scotland) Act. This established the Board of Agriculture for Scotland which took over, with important extensions, the powers of the Crofters Commission and the Congested Districts Board. Those two bodies disappeared except that the Land Court functions of the Commission were vested in a separate Scottish Land Court - still in existence. This Act extended the benefits of the 1886 Acts to all parts of Scotland and not just the Crofting parishes. It also made some changes in crofting tenure: the obligation for the crofter to reside on his land was removed with the unfortunate consequence of creating absentee crofters; the 'small landholder' (a

34. See Map II.

35. Day, p.208-209.

36. Taylor, p.14.

37. Day, p. 94.

term which replaced 'crofter' as a legal definition) was defined as a tenant of an agricultural subject rented at less than £50 a year (£30 on Lewis) or not exceeding 50 acres in size; sub-letting to holiday visitors was permitted; a landholder unable to work his own land was allowed to assign it to a member of his family with the permission of the Land Court. The 1911 act remained the basis of crofting tenure right down to 1955 though there were some minor additions in the Land Settlement (Scotland) Act, 1919 - which mainly granted new powers to the Board of Agriculture to obtain land for settlement, by compulsion if necessary, and the Small Landholders and Agricultural Holdings (Scotland) Act 1931. The Board of Agriculture used its land settlement powers quite vigorously at first, particularly in the decade or so following the First World War when there was a considerable demand for land in the Highlands from ex-servicemen. From 1920-29 1,344 new holdings were constituted in the crofting counties, 711 of them on state land, and there were 1,179 enlargements.³⁸ However, during the 1930's the pace slackened off and after 1940 almost came to a halt.³⁹

As an attempt to create economic holdings in the Highlands, this policy does not seem to have been very successful. "It is significant", says the Taylor Commission, "that the sixty nine years which have elapsed since the Napier Commission's investigations have not seen any major transformation in the number or size of agricultural holdings in the crofting counties".⁴⁰ In 1885 there were 28,858 separate holdings, in 1952 it was 29,416; of these 2,798 had over 50 acres and 12,048 under five acres in 1885, the equivalent figures for the later year being 2,741 and 11,441.⁴¹ In terms of agricultural activity there was an actual decline - 70,232 acres under tillage in 1886, only 38,000 acres in

38. Taylor, p.15.

39. Ibid.

40. Ibid, p.16.

41. Ibid.

1952; 95,041 cattle in 1886 and 58,000 in 1952. Sheep alone maintained and even increased their number from 947,955 to 1,090,000 ⁴² but this is hardly symptomatic of a healthy agriculture as an increase in the sheep/cattle ratio, causes a decline in the quality of pasturage because of the selective grazing habits of sheep. ⁴³ In addition the souming - the number of animals a crofter was officially permitted to graze on the common grazings - was often exceeded, which led to over-grazing and a decline in fertility.

Yet despite this the crofters by the post-War years, if not the richest class in Britain, did not suffer from the degree of poverty apparent in Napier's time. Obviously various factors were at work to bring more wealth into the Highlands. Among these were the drop in the price of imported grain and meal that occurred around the end of the last century ⁴⁴ which enabled the crofter to give up producing his own bread corn and concentrate on rearing livestock for sale - an activity more suitable to the climate and soils of the Highlands. There was also an increase in sources of income other than the traditional farming and fishing - tourism, forestry, tweed manufacture, the construction of hydro-electric schemes - none of them adding all that much but collectively making a difference. Above all there was the increasing intervention of the state - subsidies for agriculture, grants and loans for housing, old age pensions and unemployment benefits and the provision of various services by the Local Authorities or the Central Government with the associated employment they brought in road-making, education, the post office, etc. According to Collier's calculation of regional income in 1935, a quarter came directly from the Government through its services or its payments (in pensions etc.) and this does not include the contribution of bodies like the Forestry Commission. ⁴⁵ By 1960 D. Simpson estimated that over

42. Ibid, Pp. 13 and 15.

43. Darling, p.169.

44. A. Collier, The Crofting Problem (Cambridge U.P., 1953) p.59.

45. Ibid, p.117.

50% of the regional income was generated directly by the Government. ⁴⁶

A decline in subsistence agriculture, a rising standard of living, a greater variety of employment coupled with compulsory education, improved communications and military service in two World Wars all tended to break down the old distinctive crofting way of life and the Gaelic language that went with it so that by 1950 the Highlanders were far more integrated into British society than they had been in the 1880's. Even so there remained enough of their ~~distinctiveness~~ ~~separateness~~ ~~ness~~ for the Government to consider it necessary to appoint another Commission in 1951 to look at the special problems of crofting. This Commission, chaired by T.M. Taylor, reported in 1954 and made numerous recommendations regarding the legal and administrative background to crofting, the chief of which was that a new Crofters Commission should be set up. This new body was to have extensive land settlement powers; to take over the function of the landlord regarding the re-letting of vacant crofts; to terminate the tenancy of absentee crofters subject to safeguards concerning the croft house; to try and persuade the elderly who no longer worked their land to give it up; to have power to reorganise townships if a majority of the crofters agreed; to gain from the Land Court control over resumption of holdings and the regulation of common grazings; to be able to apportion the common grazings on application from one or more crofters; to administer land improvement grants and make loans for working capital; and to prepare a register of all crofter holdings in the seven counties. In addition the Taylor report recommended that crofters should have extended powers of assignation and bequest ~~as~~ subject to the consent of the new Commission but that this body should be able to remove landholders for

46. D. Simpson, "Investment, Employment and Government Expenditure in the Highlands, 1951-60", Scottish Journal of Political Economy, November, 1963, (Vol. II).

bad husbandry and to control subdivision. The agricultural colleges were urged to strengthen their advisory services in the crofting districts and to set up demonstration crofts and the Forestry Commission ^{was} recommended to step up their afforestation of the North and West Mainland. Finally the Crofters Commission was to keep under review such important matters to crofters as freight charges and marketing arrangements.

History did not repeat itself and the Crofters (Scotland) Act 1955 followed the Taypor Report far more closely than the 1886 act followed Napier. The only major deviation was that the Act put much less stress on land settlement than the report had done. The new Crofters Commission was constituted and consisted of a Chairman, two full time members and three part time. The Chairman, Sir Robert Urquhart, was an ex-diplomat - not the last time one of his profession was to administer the Highlands (an interesting illustration of the Government's attitude towards them perhaps?).

The Commission's relatively straightforward administrative functions, such as reletting vacant crofts, proceeded satisfactorily enough and after a slow start the apportionment of common grazings went well, especially on Shetland and Lewis. The improvement grants - given for such things as land improvement, drainage and farm equipment - soon became popular. (In 1964 for instance, the Commission spent £472,648 on various grants). Less successful were the reorganisation schemes whose purpose was to rearrange the townships in a more rational way. The procedure involved was so slow and cumbersome that the Commission became thoroughly disenchanted.⁴⁷ They did not even attempt land settlement schemes which caused disappointment in some quarters.⁴⁸ By their 1959 Report the

47. The Crofters Commission, Annual Report for 1958, (H.M.S.O. 1957), brings this out strongly.

48. For example Farquhar Gillanders on P.100 of his chapter "The Economic Life of Gaelic Scotland Today" in Derick S. Thomson and Ian Grimble (ed.), The Future of the Highlands, (Routledge & Kegan Paul, 1968). His view reflected the opinion of many crofters.

Commission were beginning to talk more strongly about the under-cultivation of available land - the system, they said, needed "unfreezing" so that land would pass into the hands of those who would work it and the reorganisation of townships needed to be changed so that an inactive majority could not hamper the active minority.

In 1960 a Bill (for which however the Commission disclaimed responsibility) was put before Parliament which changed the reorganisation procedure and gave the Commission much stronger powers to dispossess crofters not using their land than the 1955 Act had done. The 1959 report and this Bill met with considerable hostility from crofters⁴⁹ who feared that their sacred security of tenure was being eroded (as indeed was inevitable if land was to be effectively reorganised); this led to the creation or revival of Crofters Unions in many parts. The opposition was successful; that part of the Bill that gave the Commission powers to dispossess was amended so that it could not be brought into operation without a resolution to the effect being passed in both Houses of Parliament.⁵⁰ Such a resolution has never been put. The Crofters (Scotland) Act 1961 is to some extent then, a dead letter but it did change the procedure involved in reorganisation and it did allow sub-tenants of crofts and owner occupiers of holdings of croft size to benefit from the same financial assistance as regular crofters. By the 1961 report the Commission had decided that even this new Act did not give them powers that would permit them to undertake effective reorganisation and they more or less washed their hands off it. Instead they pinned their hopes on land improvement, over which crofters (again especially on Lewis and Shetland) had become enthusiastic, and turned more and more attention to their advisory and review functions. Having decided that it was the

49. Crofters Commission, 1960 Report and Gillanders, p.106.

50. Gillanders, p.112.

'ancilliary' occupations that held out the best hope of keeping the crofting population in the Highlands and Islands, the Commission were in the frustrating position of having no powers to do anything about these except act as a ginger group.

In 1963 J.S. Grant, editor and proprietor of the Stornoway Gazette, replaced Urquhart as Chairman of the Crofters Commission and became its only full time member. With the creation of H.I.D.B. the advisory and review functions of the Commission were hardly necessary but it continued as a sort of pressure group for the remote areas in case they were forgotten about. By 1968 they finally came round to the opinion, specifically rejected by the Taylor report, that the only way to let some air into the atrophied crofting system was to convert crofters into owner occupiers while allowing them to retain such advantages as housing grants, and they concluded that "many of the provisions of the Crofters (Scotland) Acts of 1955 and 1961 are now obsolete".⁵¹ By that year there were 18,754 registered crofts,⁵² a slight drop on the figure of 20,909 holdings of under £50 rent given by Taylor,⁵³ concentrated on Shetland, Skye and in the Outer Hebrides. Crofters are often tenants of two or more crofts so the actual number of agricultural units was rather less - 15,093 - of which only 526 were large enough to be considered full-time working units.⁵⁴ The crofts are dispersed in some 700 townships.⁵⁵

These figures illustrate the basic difficulty of anyone trying to maintain crofting as a way of life: if all crofters are to have an economically viable small holding the total population of the crofting areas will have to decrease drastically, a result people in the region want least of all. This fact is clearly recognised by the Crofters Commission which therefore opposes the unreflecting amalgamation of crofts. On the other

51. Crofters Commission, 1968 Report, p.27.

52. Ibid, p.15.

53. Taylor, p.17.

54. Crofters Commission, 1968 Report, p.43. For complete information of the position in 1965 see Table III in Chapter 2.

55. At least so says "The Scottish Economy 1965 - 70," Cmd 2864 (H.M.S.O. 1970) p.141 but about 1947-48 the West Highland Survey found 1040 townships (see p.252) in their survey area alone, which did not cover the important crofting district of Shetland. No doubt between say 1949 and 1966 some townships ceased to exist and others were amalgamated, but the rate of decline seems excessively large.

hand if crofters are to earn a substantial part of their living from non-agricultural occupations, economic pressures will be such that these occupations will probably take up all their working life and they will cease to use their croft. (Which has already happened to many crofters who live near, and work in, Stornoway). In other words they will cease to be crofters proper and lose those Yeoman virtues that it has been de rigueur to praise in official reports from Napier on.⁵⁶ The Crofters Commission keep their spirits up by talking of a 'new form of industrial society which will be inherently healthier and more stable than any completely urbanised society',⁵⁷ but with land free from the rigidities of crofting tenure and development policy aimed at creating 'holding points' i.e. towns in which employment is concentrated it is difficult to see why the North and West Highlands and Islands should be different from any other predominantly rural area.

The Highland Economy in the 20th Century

Crofting is unique to the Highlands and Islands and it makes up a large part of what is meant by 'the Highland Way of Life' but by 1965 only about 60,000 people or 22% of the population of the crofting Counties lived on crofts - and because of the high proportion of old people in the townships probably only 15-18% of the working population were crofters.⁵⁸ In the same year, of the gross agricultural output of about £20m. in the region only $\frac{1}{4}$ came from crofts, the rest was from some 4,600 full-time farms.⁵⁹ A substantial proportion of this would have been from the prosperous farming areas of the more fertile and drier East, especially Easter Ross, the Black Isle and Orkney where

56. cf. Taylor, p.9.

57. Crofters Commission, 1968 Report, p.13. There are strange contradictions here; the overwhelming impression one gets from reading the Commissioners' Reports is that crofters are deeply conservative and resistant to change yet in their general remarks the Commission call them 'more adaptable than the average industrial worker'.

58. Omns. 2864, p.141 for all the preceding figures in this paragraph.

59. Ibid, p.140.

mixed farming is undertaken and the crops often used as feed for beef cattle. Orkney is also renowned for its egg production and Kintyre has a reasonable dairy industry. In these parts conditions differ very little from those of the Lowlands, except that Orkney has the usual island problem of communications, but over most of the remainder of the Highlands and Islands the land is only really suitable for pastoral agriculture - and in modern times this has meant sheep.

The great age of the sheep farmer was the first two thirds of the 19th Century when demand for wool and mutton from the growing industrial areas of the South was strong. During the 1860's however cheap imports begin to arrive and the domestic farmer was increasingly less able to compete. The number of sheep began to decline and so did rents. At the same time a new sport was becoming increasingly popular - deer-stalking - and landlords found that they could get more money by replacing sheep with deer and renting the land to shooting tenants. Just as sheep had driven the clans and their cattle from the glens so deer now took over the position of the sheep - a historical process that seems to have been telescoped in some minds leading to the idea the deer were a cause of depopulation. Of course there had always been deer in the Highlands but never in such numbers and never before in their own special preserves (curiously called 'forests'). Deer forests multiplied apace during the last part of the 19th Century and the first part of the 20th. In 1883 it was calculated that they occupied 1.975 million acres and by 1912, the maximum year, had reached 3.432 million acres.⁶⁰ (Not all of this was in the Crofting Counties by any means and there were some forests outwith the Highlands altogether, in Kirkcudbrightshire). Then tastes and economics changed and the landlords found that deer forests were

60. A.C. O'Dell and Kenneth Walton, The Highlands and Islands of Scotland, (Nelson 1962), p.333. Actually the figure given is 3,432 million acres but there are reasons for suspecting a misprint.

less profitable. They have since declined in area though by 1965 they still occupied $2\frac{1}{2}$ million acres.⁶¹ (Not all of this was exclusively given over to deer). Sheep and deer compete for the same land and marauding deer cause havoc among crops so it is not surprising that farmers (including crofters) and sportsmen should have come into conflict. An attempt to adjudicate between the two interests was made by setting up a Red Deer Commission in 1959 (see previous chapter).

Deer stalking is not the only sport that has added to the rentals of Highland Estates. Grouse shooting is also important though many of the best grouse moors are in the Eastern Highlands, outwith the crofting counties. And in the rivers and lochs salmon and trout provide valuable fishing - and another source of conflict between landowners and others.

Sheep have made rather a come-back since 1930. Sheep farming was stimulated by the 2nd World War, when the country needed to produce all it could, and by the Hill Farming Acts of 1946 and 1956 and the Livestock Rearing Act of 1951. This legislation introduced a variety of subsidies without which hill farming would hardly be profitable. Under the same stimulus cattle farming also developed since the War. A 9% increase in members of cattle was recorded during the 1950's⁶² and further, though smaller, gains were made during the sixties.⁶³ In addition to this, two attempts to bring large scale cattle ranching to the Highlands have been tried since the War: J.W. Hobb's Great Glen Cattle Ranch and the activities of Lord Lovat and associates, further north. Other agricultural developments included bulb growing by crofters in the Western Isles promoted by Hebridean Bulb Growers Ltd., a cooperative established in 1957.⁶⁴

The third great user of Highland land, in competition with sheep and deer, is forestry. In pre-historic times the Highlands were heavily forested. Since then (as was said in the previous chapter) human

61. Cmd. 2864, p.140.

62. Review of Highland Policy, Cmd. 785, (H.M.S.O. 1959), p.6.

63. Highlands and Islands Development Board, Fifth Report, 1970, Appendix vii.

64. Cmd. 785, p.6.

depredations, coupled with an expansion of blanket bog that militated against natural regeneration, have reduced the amount of timber enormously. With the notable exception of the Duke of Atholl there was little attempt to replace the felled woodlands until after the First World War, during which large quantities of home grown timber had been felled. To try and replace it the Forestry Commission was set up in 1919 but had only just started when, in 1922, the Geddes Committee cut its grant and rejected the strategic and social arguments for forestry. In their opinion it was not justifiable to create employment on an 'uneconomic basis' - a most unfortunate argument when applied to the Highlands and Islands. Substantial planting was undertaken especially in the Great Glen and Southern Argyll areas but it was not enough to reverse the losses of the First War so that by 1939 there was less effective woodland than in 1914.⁶⁵ The 2nd World War naturally brought about further losses and the post War Governments, less inhibited than their predecessors, committed themselves to large scale replanting and the establishment of at least 750,000 acres of effective forest.⁶⁶ By 1965 400,000 acres had been planted in the Crofting Counties and it was increasing by about 20,000 acres a year.⁶⁸ The tree mainly grown is the Sitka Spruce, a sombre conifer which when planted in close packed straight lines is rather lacking in amenity value.⁶⁹

The Forestry Commission did not escape without criticism: it was accused by irate farmers of pursuing an unbalanced land-use policy. By planting the lower valley slopes it was said to render the unplanted tops useless, both because they were made inaccessible by the Commission's six foot anti-deer fences and because they had lost their sheltered lower pastures necessary for wintering. Since 1945, while conflicts have not

65. David Turnock, Patterns of Highland Development, (Macmillan, 1970), p.83.

66. A Programme of Highland Development, Cmnd. 7976, (H.M.S.O. 1950) p.15.

67. Cmnd. 2864, p.143.

68. H.I.D.B., Fifth Report, 1970. Appendix VII.

69. To be fair to the Commission in a lot of areas they have tried to
leaven the lump by interspersing larch.
with

ceased, there has been greater integration between different forms of land use and, from 1966, crofters whose grazings are withdrawn for forestry purposes have been mollified by receiving a development grant from the Forestry Commission.⁷⁰ Private planting has been encouraged by a 'dedication' scheme through which landowners got a Commission grant of £22.4s. per acre (in 1965) provided they agreed to ~~manage~~ their woodlands in an approved manner.⁷¹ One of the most notable private developments is that by the Duke of Westminster at Kinlochbervie.

Along with forestry go timber using industries. A few small firms grew up before the 60's, especially around Inverness and Dingwall, but the real breakthrough came when Wiggins Teape were persuaded to build a large integrated pulp and paper Mill at Annat near Fort William.⁷² They got planning permission from Inverness County Council in 1960, made an agreement about wood supplies with the Forestry Commission a year later and work on the mill began in 1963 after a special Act had been passed allowing the Government to ~~lend~~ them £10m. to help finance the initial phase costing £20m. It was officially opened in 1966 and was at that time the largest single manufacturing concern in the Highlands.⁷³

Before 1965 the Highlands had produced little in the way of mineral wealth - fortunately perhaps for the sake of their natural beauty. There was a minor gold rush to the Strath of Kildonan in the 19th Century. Strontian produced lead ores and gave its name to another metal but these things had passed as had the extraction of diatomite in Skye and the quarrying of Caithness flagstone. The slate quarries of Ballachulish, opened in 1760, had a rather longer life but closed in 1955. Coal had

70. Crofters Commission, 1966 Report.

71. Turnock, p.84.

72. Strictly speaking the company concerned was Scottish Pulp (Development) Ltd. later Scottish Pulp and Paper Mills Ltd. but it was wholly a subsidiary of Wiggins Teape.

73. Unless Dounreay is counted as 'manufacturing'.

been mined at Machrihanish near Campbeltown and at Brora in Sutherland. The Kintyre mine was opened at the beginning of the century, closed after flooding in 1926, reopened again in 1946 and was finally abandoned in 1967.⁷⁴ Brora had been in operation since 1529 and when the current operating company went into liquidation in 1961 it was reopened under the miners ownership with money from the Highland Fund.⁷⁵ Silica sand, valuable in the manufacturing of optical glass was extracted in Morven and provided a small but important centre of employment. The glass manufacturing industry at Wick used this sand.

Peat is so extensive in the Highlands and Islands that it is hardly surprising that a lot of people got the idea of utilising it for something or other. But despite the investigations of the Scottish Peat Committees in the 1950's, the experiments by the North of Scotland Hydro-Electric Board and the publication of the Scottish Peat Surveys by the Department of Agriculture for Scotland, peat still seems to be used in nothing more than the manufacture of whisky. Seaweed has a more interesting history. After its dramatic decline as a source of alkali, kelp made a slight come back as a source of iodine. This industry was never on the scale of the previous one but it provided a small amount of wealth until a price war among the major foreign producers of iodine depressed its price early in this Century and the Highland seaweed industry was killed off altogether. Not for ever, as it turned out, for in the 1930's yet another chemical was extracted from seaweed as a commercial proposition - alginic acid, used as a stabiliser and thickener in products ranging from instant desserts to paints. Soon after the war the Scottish Seaweed Research Association established that the Highland resources of seaweed are sufficient to provide for a considerable industry.⁷⁶

74. Turrock, p.158.

75. The Highland Fund, 1971, Annual Report, p.11.

76. Cmd. 7976, p.18.

Since the Second World War, at least, the water resources of the Highlands have been utilised more effectively than most of the products of the land. The first major hydro-electric scheme in the Highlands was begun by the North British Aluminium Company at Foyers in 1896 in order to produce Aluminium by the reduction of its oxide (alumina) - a process that requires a plentiful supply of electricity. The Foyers plant was tiny by modern standards (it was shut down in 1967) and was followed by considerably bigger ones - at Kinlochleven, starting in 1909, and at Fort William in 1929. An electro-chemical industry might also have been set up had it not been that the Caledonian Power Bill, which permitted the production of calcium carbide from the water power of Lochs Quoich and Hourn, was rejected three times by Parliament in 1936, 1937 and 1938. ⁷⁷

Between the wars various hydro-electric schemes producing domestic power were started but the whole development was bedevilled by the hostility of landowners. Only after Thomas Johnston became Secretary of State during the Second World War, and set up a committee of enquiry to look into the problem, was substantial progress made. The committee reported in favour of creating a government body to develop hydro-electricity in the Highlands ⁷⁸ and Johnston pushed a bill through Parliament, with very little opposition, setting up the North of Scotland Hydro-Electric Board in 1943. ⁷⁹ After the War he became the Board's Chairman and continued championing its cause. Progress was rapid and installed capacity from conventional generators increased from 86,900 Kilowatts in 1949 to 1,047 in 1966/67 with a further 300,000 Kw. available from pumped storage schemes. ⁸⁰

77. Turnock, p.164.

78. Report of the Committee on Hydro-Electric Development in Scotland, Cmnd. 6406 (H.M.S.O. 1943) (Cooper Committee).

79. T. Johnston, Memories (Collins, 1952), p.149-50.

80. Turnock, p.169.

It has already been said (in chapter 2) that most of this power goes to domestic consumers. This was always the intention ⁸¹ but even if it had not been it is doubtful that power cheap enough to have attracted a large number of electricity-using industries could have been produced because of unsatisfactory geographical conditions. (Few Highland rivers have both a heavy regular discharge and steep gradients).

The Hydro Board is now perceived by many in the North of Scotland as something particularly 'theirs' so that when the MacKenzie Committee recommended the merging of the two Scottish electricity boards in 1962 the opposition was sufficiently great for the government to drop the idea. The Board does not have things all its own way however, its scheme to utilize Glen Nevis ran into opposition from Aims of Industry and was rejected by the Secretary of State, as were later projects at Laiden and Fada Fionn on the grounds that they were not immediately necessary. ⁸²

The other large source of power in the region was the Atomic Energy Authority's Experimental Fast Reactor at Dounreay. Originally brought to Caithness for reasons other than Highland development - it was thought that such a potentially dangerous project should be well away from the major population centres and the Dounreay area offered an abundance of cooling water - it has since won enthusiastic local acceptance because of the employment it brought and any threat to its continued existence brings about an immediate political outcry. ⁸³ Being a research centre as well as a power station Dounreay employed a large number of people and was the chief reason why the population of Caithness rose by almost a quarter between 1951-1961 in the face of the predominant Highland trend. ⁸⁴

81. Johnston, p.175.

82. North of Scotland Hydro-Electric Board, Report 1/4/64 - 31/3/65. House of Commons 207 (H.M.S.O. 1965) and Turnock p.171.

83. See for instance Cousins speech in H.C. Deb. Vol.724, cols.408-413. This issue is raised again in chapter 5.

84. See Table I, Chapter 2.

The Napier Commission Report had stated that a greater proportion of the income of crofters came from the sea than from the land, proving that fishing had become of increasing importance throughout the 19th Century. A distinction has already been made between the East Coast including Shetland and Caithness where the industry relied on home-based boats and the West coast where the people tended to be employed on boats from elsewhere. As the century progressed the boom in herring fisheries became greater and it was to this branch of the industry that fishermen in all parts of the Highlands increasingly turned. Shetland, previously a white fishing centre, became the greatest herring fishery area with 114 curing stations on the Islands and an estimated 12,000 people employed in all.⁸⁵ The boom continued up until the First World War while the technology of the industry changed with the replacement of sailing boats by steam drifters. This fact, which meant that more capital was necessary, together with changes in marketing procedures, tended to centralise fishing in a few large ports to the detriment of the small harbours. Increasingly the centre of gravity of the industry shifted southwards to the ports of Banff-shire and Buchan.

An average of 70% of the herring catch had been exported to Germany and Russia; following the First War these markets collapsed and the number of Highlanders employed in fishing dropped from 35,000 in 1913 to 13,400 in 1938.⁸⁶ White fishing did not suffer so disastrously but Highlanders were unable to afford trawlers and could not compete with them using the old line methods. The famous attempts by Lord Leverhulme to reorganise fishing in Lewis and Harris where a total failure though there is some disagreement as to whether this was due to the intransigence of the local people or because the scheme was ill thought out. Highland fisheries remained in the doldrums throughout the fifties and it became clear, as

85. Collier, p.79.

86. Collier, p.82. The figures include shore-based workers.

the Crofters Commission pointed out,⁸⁷ that the traditional combination of crofting and fishing was no longer possible; modern conditions necessitated fishing becoming a full-time occupation. In order to facilitate this an Outer Isles Fisheries Training Scheme was set up (by the organisations mentioned in the last chapter) but as late as 1966 the official Government view was that "it would be quite wrong to imagine that fishing can be looked to as a significantly expanding sector of the Highland economy".⁸⁸

Manufacturing industry never has played a large part in the Highland economy. Apart from fish processing the only two industries with any traditional claims on the area are whisky distillation and textile manufacture. The distillation of malt scotch is thought of as something typically Highland though in fact the greatest concentration of distilleries is on lower Speyside outwith the Crofting counties; Islay is the second most important centre.⁸⁹ Grain whisky tends to be produced in the lowlands but there is also a large distillery at Invergordon. Though a successful industry it is unlikely that whisky distillation adds much to regional income.

Textile production in the region means tweed and knitwear. It was only in the second half of the last century that the weaving of the Outer Hebrides became organised for commercial production, its increasing popularity corresponding with the boom in deer stalking. At first a purely domestic industry, as demand began to rise tweed production became a curious mixture of mass production techniques and genuine domestic craftsmanship. The balance was struck in 1934 when it was decided that the 'orb' stamp guaranteeing genuine Harris Tweed could only be given to a tweed 'made from pure virgin wool, produced in Scotland, spun, dyed and finished in the Outer Hebrides and hand-woven by the Islanders at their

87. In their 1957 Report, para. 45.

88. Cmd. 2864, p.143.

89. O'Dell and Walton, p.230.

own homes'. This formula had several advantages - it had a large enough 'home-made' component to provide sales value but it allowed all but the weaving to be done by machines. It also ensured a monopoly for the Outer Hebrides. Tweed consumed a third of the Scottish Wool clip, employed 1,400 weavers and 1,000 mill employees.⁹⁰ Production was concentrated in Lewis with the mills in Stornoway. Knitwear was on a smaller scale and was chiefly important in Shetland.

Throughout the period described here tourists have come into the Highlands in increasingly large numbers but not until the post-War period was there any attempt to develop the industry in a systematic way as a source of wealth and employment. Apart from giving small sums to the Scottish Tourist Board - which of course had responsibilities outside the Highlands - the Government's main effort to this end came in 1959 when Sir Hugh Fraser was invited to prepare and carry out plans for tourist development with Scottish Office assistance. Fraser chose Badenoch and the Bonar Bridge - Lairg district as special target areas and launched the Highland Tourist Development Co. Ltd., with Government support, to give loans for tourist accommodation and facilities.⁹¹ But his main effort was at Aviemore. During the late '50's and early '60's there was a rapid increase in skiing in the Cairngorms under the auspices of the Cairngorm Winter Sports Development Board, which constructed ski-tows. Fraser, with the example of the new resort of Courchevel in the French Alps in his mind, thought that there was a great potential for development. He managed to persuade the Government to offer a 25% building grant and together with Scottish & Newcastle Breweries, United Caledonian Breweries and Shell-Mex & B.P. financed the large new tourist centre of Aviemore.⁹²

90. Turnock, p.155.

91. George Pottinger, The Winning Counter: Hugh Fraser & Harrods, (Hutchinson, 1971), Chapter 7. Pottinger - now notorious for his association with Poulson (the architect of Aviemore) - was assigned by the Scottish Office to assist Fraser.

92. Pottinger, Chap. 8.

It was opened in December 1966 just a year after H.I.D.B. set to work.

Though pursued on a much smaller scale, tourism increased in other parts of the region and may have done even better if communications had been better. But, whatever their affect on outsiders, poor communications are a persistent thorn in the sides of the local inhabitants and productive of considerable militancy, as illustrated when Dr. Beeching announced his plans to close certain Highland railways. A group called the Scottish Vigilantes Association, led by Frank Thomson, later to become a member of H.I.D.B., was formed to protect them and conducted a vigorous press campaign under the name of 'MacPuff'. This culminated in March 1964 with a 'public inquiry', though it has been suggested that by this time the Secretary of State had already committed himself to saving the lines.⁹³

Since the days of Telford's Parliamentary roads and the Caledonian and Crinan canals in the early 19th Century the pattern of Highland transport has been transformed more than once.⁹⁴ First the steamship revolutionised communications with the hitherto inaccessible West Coast and Islands then, at the end of the 19th Century, railways penetrated to the far North and West Mainland though there was never a very extensive rail network in the Crofting Counties and the isles remained untouched. Both these methods of transport have declined in the present Century with rising costs confining the boats to fewer and fewer routes and posing a permanent threat to all railway lines north of the Great Glen. Instead there has been a return to the roads and the century has seen an increasing number of these black-topped, widened and even built from scratch - much of the money inevitably coming from the central government. Most recently of all, a network of air routes has begun to spread over the Highlands. The

93. "Sunday Times" 19th March 1967.

94. See O'Dell & Walton, Chap.11 & p.232-5; Turnock, Chap.7 and also W.I. Skewis, "Transport in the Highlands and Islands" (Ph.d. Thesis, Glasgow Univ. 1962).

complexity of transport organisation was described in Chapter 2 and no more will be said about it here except to note that the long distances plus the small amount of traffic necessitate both government subsidies and high charges - a perennial source of unrest in the region.

This mention of Government subsidies brings us back to what must be a major theme - the growth of state intervention in the Highlands since the Napier Commission. Much of this expansion is not peculiar to the Highlands but concerns the whole country, so for instance in 1882 a Fishery Board for Scotland was established and, following the Local Government (Scotland) Acts of 1889 and 1894, County Councils were created under a Local Government Board. Special to the Crofting Counties at this time were the Crofters Commission and the Congested Districts Boards, already mentioned, and an extraordinary number of official enquiries: Napier, Walpole and the Deer Forest Commission, also previously noted, plus a Medical Services (Highlands and Islands) Committee in 1912, a report on Home Industries in the Highlands and Islands in 1914, a Royal Commission on Housing in Scotland in 1917 (which devoted considerable attention to the Crofting Counties) and no less than five special reports on Lewis running from 1888 to 1906.⁹⁵ The Medical Services Committee led to the setting up of a Medical Services (Highlands and Islands) Board which served until the National Health Service was created. Government money has flowed in by increasing amounts - as aid to agriculture and forestry, transport subsidies, support grants for Local Authorities, unemployment benefits, old age pensions, and other welfare payments (which because of the higher rates of unemployment and large proportion of old people in the region would be larger than in other parts of the country) so that by 1965-66 the Scottish Departments and the Forestry Commission alone were spending £35m. on the area⁹⁶ and with 5% of the population of Scotland the Highlands and Islands

95. Day, p.302.

96. H.C. Deb, Vol. 725, cols. 287-8.

were receiving 10% of government expenditure in that country.⁹⁷ No description of Government activity in the Highlands can be complete without mention of the defence establishments - though these are at least arguably of little benefit to the region as such. From the Naval bases of Invergordon and Scarpa Flow earlier in the Century to the Army rocket range on South Uist and the Polaris Submarine in Holy Loch today, the Highlands and Islands have been and remained a major centre of defence activity with all that this implies in terms of inputs of cash, the growth of dependant local economies and the introduction into the Gaelic areas of an alien language and culture.

From the appointment of the Napier Commission in 1883 to the burst of land settlement that followed the Act of 1919, the Government were active in dealing with Highland problems. Then for the next twenty years there seems to have been a period of relative quiescence which ended in 1943 with the creation of the North of Scotland Hydro-Electric Board. After that administrative activity steps up again: the Advisory Panel for the Highlands and Islands ^{was} formed in 1947; a "Programme of Highland Development" published in 1950; ⁹⁸ the Taylor Commission appointed, and its recommendation for legislation carried out in 1955; a Review of Highland Policy published ⁹⁹ and the Red Deer Commission set up in 1959; the H. & I. Shipping Services Act passed in 1960; a Highland Transport Enquiry began in 1961; the Highland Transport Board formed in 1963; a Committee to study general medical services in the Highlands and Islands appointed in 1964; and of course in 1965 the Highlands and Islands Development (Scotland) Act passed.

and Islands

Something more should be said about the Highlands/Advisory Panel which was under the chairmanship of Malcolm Macmillan, Labour M.P. for the Western Isles, until 1954 and thereafter of Lord Cameron, the law lord.¹⁰⁰

97. Cmd. 785, p.10. Ross confirmed this percentage in H.C. Deb, Vol.708, cols. 199-202.

98. Cmd. 7976.

99. Cmd. 785.

100. Jarnusson, "Highland Administration" in Thomson & Crimble, p.239.

It was created as a general advisory body and coordinating link. The sort of things it did are illustrated by the 1950 White paper which include as appendices recommendations by the Panel on piers and harbours and on fishing. In the 1960's it organised a trip to Norway to see how the Norwegians dealt with problems quite similar to those of the Highlands and Islands,¹⁰¹ cooperated with the Scottish Transport Council in looking at transport in the Highlands¹⁰² which led to the Highland Transport Board being set up, and in a moment of unusual militancy threatened to resign en bloc if Highland railways were closed down following the Beeching proposals.¹⁰³ Its final and perhaps most significant report, on land use in the region, was produced in December 1964.¹⁰⁴ Its contents are discussed in chapter 4.

No description of the Highlands in modern times can be complete without mention of one salient fact: depopulation. The seven crofting counties reached their maximum recorded population in 1841, since then the population decreased steadily from census to census right down to 1961.¹⁰⁵ The figures are 396,045 people in the region in 1841 as against 277,900 in 1961. Seen as a proportion of total Scottish population the changes look even more dramatic: in 1751 it is estimated that the seven counties contain slightly over 20% of the people of Scotland.¹⁰⁶ whereas in 1961 it was only around 5%. The chief reason for depopulation seems to have been out-migration particularly of the younger people who would normally be having families and a consequently unbalanced population structure (i.e. a disproportionately large number of old people). Emigration is clearly related to a lack of economic opportunity. The Highlands and Islands tend to have unemployment rates of over double those of Scotland as a whole (Stornoway leads the whole country with over 25% unemployed): for example in the decade prior to 1965 the average unemployment rate was about 3.5%

101. Advisory Panel on the Highlands & Islands "Report on a Visit to Norway, 11th-28th September 1961" (1962).

102. Ministry of Transport, Highland and Transport Enquiry, Bus Services in the Highlands (1961); Transport Services in the Highlands and Islands (1963).

103. Magnusson, p.283.

104. Department of Agriculture & Fisheries for Scotland and the Advisory Panel on the Highlands and Islands, Land Use in the Highlands & Islands, (H.M.S.O. 1964).

105. Mention has already been made of depopulation in Chapter 2 and figures for 1951, 1961 and 1966 can be found in Table 1, which also show differences between areas.

106. Turnock, p.191.

in Scotland and 7% in the Highlands.¹⁰⁷ Net income per capita was £262.5 in the Highlands and Islands (plus Bute) in the fiscal year 1964-65 and £328.2 in Scotland as a whole. On top of this the structure of the economy in the seven counties was unpromising; 11.5% of the employed population worked in primary production (5.8% in Scotland) and only 11.9% in manufacturing (34.8% in Scotland) in 1967.¹⁰⁸

These figures illustrate the "Highland problem" as generally perceived in 1965: a declining and ageing population; lack of economic opportunity reflected in high unemployment rates and low personal income; an economy lacking manufacturing industries and whose traditional bases, agriculture and fishing, showed few signs of being able to expand. Certain people saw more to the problem than this, they would also add the decline of the Gaelic language and culture and the Highland 'way of life' all threatened not only by the demographic and economic factors mentioned but by the domination of the education system and mass communications by English speakers.¹⁰⁹ It is as well to remember that something becomes a 'problem' only when it is perceived as being one. The economic and demographic facts of life in the Highlands were not much different in the days of the Napier Commission than they are today yet the Highland problem as they saw it was rather different than the one described above. They did not consider depopulation an evil but as a necessity to be encouraged by schemes to aid emigration. The evil was congestion, too many people crowded on a limited amount of land with consequent insecurity, poverty and a lack of incentive for the more enterprising whose advancement was blocked. The Highlands were low in resources and only a drop in population could allow their inhabitants to earn a

107. H.I.D.B., Fifth Report 1970, Appendix VII.

108. H.I.D.B., Third Report, 1968, Appendix VI.

109. An interesting illustration of this is given by Darling and Morley on p.320 of the West Highland Survey. School children in a Highland township writing an essay about spring mentioned the song of the nightingale and the

start of the cricket season, though the bird is not found or the game played in their part of the country.

reasonable living. The idea of encouraging other industries to go into the region by government actions did not of course enter the head of any moderate person at that time. Between Napier and the 1960's there was a gradual change in definition of the Highland problem. De-population came to be seen as the overriding evil ¹¹⁰ and once that step is made it becomes important to create other sources of employment to allow the people of the area to earn their living without moving away. This change of emphasis is reflected in Government policies for the Highlands. In the early years the stress was on land settlement as undertaken by the Congested Districts Board and later by the Board of Agriculture plus help with emigration given by the Crofters Colonisation Committee (1888-1904). In the years since the Second World War, government reports have tended to stress the role of forestry, hydro-electricity and industrial development. ¹¹¹

Whatever may be thought about these responses it cannot be said that the Central Government has ignored the Highlands yet there seems to be a persistent feeling in the region that they have been deliberately neglected. ¹¹² Mythology is at least as strong a force as balanced appraisal and loses none of its strength as a political weapon by being insecurely based on facts. Feelings of neglect and relative deprivation (the latter not at all mythological) surrounded the subject of Highland development with a highly charged atmosphere and this was, together with an intractable environment and an unfortunate history, one of the things the Highlands and Islands Development Board had to face when it came into office.

110. There were always certain people who opposed emigration. The official change of heart was probably a result of the First World War more than anything else.

111. See for instance, Cmd. 7976, p.5.

112. See Lord Bannerman in H.L. Deb, Vol.291, Col.112 and Donald Stewart M.P. reported in Glasgow Herald, 17/4/73.

Chapter 4: The Creation of the Highlands and Islands Development Board

Pressures for a Highland development authority

Scotland has never been short of people willing to apply their minds to the 'Highland problem' and as this century has worn on, increasing numbers of them have come to the conclusion that one of the necessary elements in a solution would be the creation of some form of regional development authority. The Liberal Party must be given the prize for being first with this proposal - at least in a published form - as it appeared in one of the 'Tartan Book' series produced in 1928 on behalf of the Scottish Liberal Federation. The publication suggested that a Highland Development Commission was needed 'to co-ordinate the efforts^{of} the many public departments now responsible for agriculture, fishing, transport, electricity, mines and health' and to 'prepare and carry into effect a comprehensive scheme for developing the full resources of the Highlands. The sort of economic development that it was envisaged the Commission would encourage mainly involved the primary sector of the economy with a particular stress on land settlement and reclamation.¹

Throughout the 1930's there was a continuing interest in proposals to revive the Highlands. In 1936 a Highland Development League was set up and passed a resolution in favour of 'an administrative or central board for the Highlands', a demand that it repeated before the 1945 election.² There were pamphlets by Hugh Quigley ('A plan for the Highlands'), Lachlan Grant ('A New Deal for the Highlands')³ and Sir Alexander MacEwan and John Lorne Campbell ('Act Now for the Highlands and Islands'), the latter

1. Russell Johnston, Highland Development (Scottish Liberal Party Publication, 1964), p.29 & 30 and The Liberal Magazine, June 1928, p.351.

2. M. Magnusson, "Highland Administration" in D.S. Thomson & I. Grimble (eds.) The Future of the Highlands, (Routledge & Kegan Paul, 1968), p.288.

3. Both pamphlets are mentioned in W.C. MacKenzie, The Highlands and Islands of Scotland, (Edinburgh, The Moray Press, 1936); p.293.

calling for a Highland Development Board with four paid members including one Gaelic speaker which would give additional grants for infrastructural improvement and generally improve the economic and social life of the region - as with the Liberals the stress being placed on the primary sector. ⁴

On a more official plane the Scottish Economic Committee (forerunner of the Scottish Council (Dev. & Industry)) set up, in consultation with the Secretary of State, a semi-official "Committee on the Highlands and Islands" which produced a fairly detailed report on the region. It too proposed the creation of a 'Development Commissioner' independent of local authorities or the Central government and with considerable discretionary powers to plan development and administer experimental schemes.⁵ Its other recommendations covered all aspects of the Highland economy; bad communications were identified as the largest single cause of depopulation and as well as subsidies ^{for} sea transport it was proposed that the County Councils take over responsibility for all ferries, piers, harbours and township roads, receiving grants, if necessary, to allow them to improve these facilities. A central marketing agency was needed plus more technical training including experimental and demonstration crofts. In general, good agriculture required the extension of crofts and the development of ancillary activities such as poultry; crofters should be given the opportunity to own their own land. More forestry was called for, more government assistance to tourism and encouragement of experimental approaches to fishing. Hydro-electric schemes were seen as a great potential source of expansion. Altogether this report adds up to a fairly comprehensive scheme of development with the emphasis on the experimental and marks a decisive turn away

4. Magnusson, p.286.

5. Scottish Economic Committee, The Highlands and Islands of Scotland (1938) p.29-31.

from the more limited 'crofter protection' approach that had hitherto characterised official policy, but it differs from the approach actually followed by H.I.D.B. when it came into existence by placing far less stress on manufacturing and tourism.

The assistant secretary to the Committee was Adam Collier and he produced his own work on the Highland economy, "The Crofting Problem", shortly afterwards. (However he died before it was quite finished and it wasn't published, edited by A.K. Cairncross, until 1953). Collier's book is above all an analysis of the economic changes that occurred in the crofting counties between the 1880's and 1940 but he has a chapter on 'What can be done?'⁶ Once again the stress is on the land - improvement of grassland, intensification of cultivation, eradication of bracken, reclamation, more afforestation and the use of new techniques. Hopes are pinned on the expansion of the extractive industries (including the old favourites, peat and seaweed), but tourism and hydro-electric power, if used rightly, are promising. Collier is very pessimistic about a revival of the fishing industry. Published two years later than "The Crofting Problem" (though researched from 1944-49) was Fraser Darling's massive "essay in human ecology", the West Highland Survey. Darling is not primarily concerned with economic development but he does make a number of suggestions for improving agriculture and increasing forestry while throwing some scorn at those who believe in the improvement of communications or the establishment of industry.⁷ Regarding a development authority he is frankly ambiguous for while he says such a body is necessary for effective rehabilitation he adds the curious rider that it might be "unconstitutional" and, if so, "most of us would feel some

6. A. Collier, The Crofting Problem, (Cambridge U.P., 1953) p.147.

7. F. F. Darling, West Highland Survey, (Oxford U.P., 1955) e.g. p.viii, p.322 and pp.241-5.

satisfaction in such a decision whatever the dictates of common sense".⁸

The Government's own post-war policies for the Highlands and Islands were set out in the 1950 White Paper "A Programme of Highland Development".⁹ By this time although there was no regional body with executive powers of the sort being proposed in the 1930's, there were both the North of Scotland Hydro-Electric Board and the Highlands and Islands Advisory Panel with the duty, as its name suggests, to advise on the sort of things the public authorities ought to be doing in the region. The White paper commits the Government to an increased provision of 'basic services', i.e. housing, water supply, health services, education, electricity, and roads and other transport facilities. As much of this is the responsibility of the local authorities, most of the central government assistance was to come via increased exchequer grants as, for instance, in the Crofter Counties Scheme for roads that had been in operation since 1935. Particular stress was placed on transport and the white paper included a memorandum from the Advisory Panel which listed essential piers and boatships that needed maintaining. The suggestions for the "principal industries" followed the usual pattern: concerning agriculture, a land use survey was proposed, rehabilitation of farms under the Hill Farming Act 1946 was to continue and an increase in cattle stocks looked for; increased afforestation was to go ahead and many of the Advisory Panel's recommendations in their report on fishing were accepted - including grants and loans for fishing piers and harbours. Proposals for tourism were being 'considered' and the further utilisation of minerals, seaweed and peat 'investigated'. For manufacturing the main ^{encouragement} ~~on / point~~ was the newly created development area from Inverness to Tain and the chief disappointment the fact that the North of Scotland Hydro-Electric Board were not able to offer cheap

8. Ibid, p.362

9. Cmd. 7976.

electricity. Altogether the White paper offered little that was new, only bringing together in one document a statement of the various forms of Government involvement in the Highland economy that had come about in the previous decade or two. A further White paper in 1959, "Review of Highland Policy", ¹⁰ does much the same for the fifties, only ~~by~~ ^{at} that time the Crofters Commission was in existence (and offering financial assistance) and the Government were planning to help finance the Scottish Tourist Board.¹¹

Meanwhile interest in a development authority continued. Resolutions ~~by~~ the Scottish Liberal Party Conference several times proposed the creation of such a body (for instance at the 1948 and 1962 Conferences) ¹² but on the whole the Party did not pursue the idea very vigorously - they did not for example put it before the Royal Commission on Scottish Affairs - and, until Russell Johnston's 1964 pamphlet, neither were they very specific about powers etc. In that pamphlet it emerged that they wanted a small all-purpose body with the power to command the services of all the existing development agencies in the Highlands and Islands but leaving the implementation of its recommendations to these agencies so that it did not become unwieldy. It was to be headed by an executive chairman of vigour who was still in the middle of his career and not someone who was merely being given a retirement award 'for good service in military or ^{colonial} / spheres'. (The Liberals were always to lay great stress on this). ¹³ For the period of its initial Development Plan it was to be controlled by a three man nominated executive advised by the Highland Panel but, after that, responsibility was to pass to a Council directly elected by

10. Cmd. 785.

11. For dates and details see Chapter 2.

12. Johnston, p. 26 & 28.

13. In 1964 they were perhaps thinking of Sir Robert Wreghart, 1st Chairman of the Crofters Commission and an ex-diplomat. The tradition has been continued with the appointment of Sir Andrew Gilchrist and Rear Admiral Dunbar Nesmith to H.I.D.B.

the people of the Highlands. The authority was to have control of all development expenditure and be empowered to make development plans, offer grants and loans, compulsarily purchase land and initiate comprehensive development schemes.¹⁴ Had such a body come into existence it would have been a radical administrative innovation - a local authority (albeit of regional scope) with control over central government agencies and expenditure. It is difficult to believe that the Scottish Office or the Treasury would have accepted that. Johnston's pamphlet goes on to discuss what the development authority is to do and the theme that it is particularly ~~emphasised~~ is the need to "make the Highlands pay", i.e. development which removes the need for subsidies. Compared with earlier proposals a much greater stress is placed on manufacturing industry and particularly those 'corner-stone plants' that the Norwegian Government had established, though the traditional industries all get their mention too.

The Labour Government of 1945-51 had not set up a development authority but after their defeat in 1951, which produced the usual policy rethink, the Executive Committee of the Scottish Council of the Labour Party came to the conclusion that such a body was necessary. Their ideas were put forward in a pamphlet entitled "Programme for the Highlands and Islands" which George Willis, (who later, as Minister of State, piloted the 1965 Highland Development Bill through Parliament), played a large part in writing. The example of T.V.A. impressed Labour but in fact the 'development Corporation' ~~proposed~~ differed from the U.S. body in being directed by a large council containing a substantial number of elected members. It was to take over a number of functions from the local authorities ~~which~~ were better administered on a regional basis (e.g. main drainage schemes and technical colleges) and was to have power delegated to it from the Secretary of State's departments.¹⁵ This Corporation was to

14. Johnston, p. 26 & 28.

15. The Labour Party, Programme for the Highlands and Islands, pp.22-24.

be the chief body administering matters concerned with land, transport and tourism, and it was to be able to erect its own factories and assist manufacturers though the pamphlet thought that the Highland economy 'must continue to be based upon agriculture, fishing, tourism and forestry'.¹⁶ The programme was put before the Scottish Labour Conference and accepted but it did not receive the attention of the National Conference until after the 1955 election. It was not therefore part of the official party platform until the 1959 election (by which time the proposals for a development corporation had been modified to take into account the S.T.U.C.'s preference for a small appointed executive). The statement of Labour policy for Scotland that preceded the 1959 election, "Let Scotland Prosper" and the one that preceded the 1964 election, "Signposts for Scotland", both committed a Labour Government to creating a Highland Board¹⁷ and Harold Wilson actually made a speech on the subject in Inverness in May 1964.¹⁸

The most ardent proponents of a development authority throughout the 'fifties and early 'sixties was the Scottish Trade Union Congress under the General Secretaryship first of George Middleton and then of James Jack. Following motions by affiliated unions calling for a Highland development authority at the 1951 and 1952 Annual Congress, the General Council of S.T.U.C. asked that they should be allowed to give special attention to the idea and explore the possibilities.¹⁹ This they did and in their evidence to the Royal Commission on Scottish Affairs called for the creation of such a body either as a corporation on the lines of New Town Corporations or as a full-time Committee at St. Andrews House.²⁰

16. Ibid, p.20.

17. The Labour Party, Let Scotland Prosper, p.40 and Signposts for Scotland, p.14.

18. Glasgow Herald, 25/5/64.

19. Scottish Trade Union Congress, 55th Annual Report (1952); P.275-6.

20. S.T.U.C. 57th Annual Report (1954), p.110.

Following a special Highland Conference in Inverness in May 1953, the General Council produced a memorandum to be submitted to the Secretary of State in which they came down in favour of the 'New Town Corporation' idea. It was to be directed by full-time members appointed by the Secretary of State for a specified period, would work alongside existing bodies not taking over their functions but having an overall authority, and would have a wide range of powers including those connected with land. It was to be given £250m. to spend over 10 years.²¹ Apart from the money (which is a vast sum, given that existing bodies were to continue with their functions and therefore presumably with their expenditure) the S.T.U.C.'s proposals came closer to the Board as it was actually to emerge than any others. The Secretary of State (James Stuart) declared himself interested in these proposals but would go no further until the Royal Commission on Scottish Affairs had reported. In the event that body came out against a development authority on the grounds that, (i) the existing administrative system could not easily be adjusted to fit in with a development corporation; (ii) the Highlands are not a 'special reserve' which require different measures from elsewhere; (iii) such a body could not operate without conflict with existing agencies; and (iv) it would displace local authorities to some degree and the commission viewed 'with dismay' any 'further attrition' of local authority powers.²² These arguments convinced the Secretary of State but not the S.T.U.C. who claimed that the Highlands palpably did need special treatment and there was no reason why a development authority should cut across existing bodies.²³

Nothing daunted by this set-back the S.T.U.C. held another Highland Conference in 1955, and decided to seek the views of local authorities on

21. Ibid, p.113.

22. Royal Commission on Scottish Affairs, 1952-1954, Report, Cmd 9219, p.84.

23. S.T.U.C., 58th Annual Report (1955), p.184-5.

the subject of a development authority. No doubt worried by the belief of the Royal Commission that they would lose powers, most of the larger authorities, with the exception of Zetland C.C., came out against the idea.²⁴ Congress had more luck with the Labour Party National Executive, who were also being persuaded by the Scottish Council of the party, as was mentioned, and a development authority for the Highlands became official Party policy. Conservative Secretaries of State continued to resist and following renewed S.T.U.C. pressure in 1960, Maclay (the current Secretary of State) told them that an authority was simply not necessary as the powers with regard to agriculture already existed and the new Local Employment Act permitted firms anywhere in the Crofting Counties to apply to the Board of Trade for grants or loans;²⁵ furthermore the County Councils in the Highlands had recently appointed development officers. This view was not exceptional or confined to Conservative Secretaries of State; many members of the Highland Panel²⁶ and Civil Servants dealing with the Highlands as well as the Inverness Courier²⁷ all thought a development authority would be little help in solving the Highland problem. The Conservative Government retained this view,²⁸ and the S.T.U.C. continued to try and persuade them otherwise, right up to October 1964 when the Conservatives lost the election (to Labour) and three out of their four Crofting County Seats (to the Liberals): it was reckoned that the Highland electorate had given their verdict in favour of a development board.

It would be unduly harsh to claim that the many Grant programmes for the Highlands from the War (and before) up to 1965 were a complete failure: they undoubtedly had the effect of improving social conditions (communities linked by made-up roads to the outside world, ~~most families~~ receiving piped water and electricity etc.) without which depopulation would surely

24. S.T.U.C., 59th Annual Report, (1956), p.60.

25. " 64th " " (1961), p.129-32.

26. Prophet Smith (I.I.D.B. member), himself a member of the Highland Panel, says that most of them were sceptical about the need for a development board.

27. Inverness Courier, 12/7/60.

28. Though Michael Noble has since claimed (in a private interview) that he was thinking of creating some sort of development body had the Conservatives won the election.

have been worse. But it is true that these measures only marginally effected the 'Highland problem'; depopulation continued (at a worse rate for 1951-61 than in the previous 20 years), ²⁹ unemployment remained high and the regional economy was no more able to stand on its own feet without large inputs of subsidy that it was before. Amelioration - 'keeping the Highlands happy' - and not development was the result, whether intentional or not, of government policies. These facts were commented on by economists in the early sixties, ^{Simpson} showed that from 1951-1960 the number of employed persons in the region fell, not only in the primary sector which might be expected, but also in the manufacturing sector - and by the same amount. Even in the Inverness-Invergordon area, the number of insured workers decreased. ³⁰ He criticised the Government for concentrating too much of the region's investment capital on 'social overheads' which produce little direct increment in income or employment, and attacked any further investment in agriculture, forestry and fishing ³¹ - a radical break with all previous recommendations and one which blandly ignored political pressures. His solutions were financial incentives directed at bringing in more manufacturing industry and assisting tourism, systematic programming to calculate the effects of Government measures and check their compatibility, greater coordination of the various administrative agencies plus enforcement of a investment policy, and regional problems to be considered as a whole and not in an ad hoc way. ³²

Similar in its claim that government policies in the Highlands had been hopeless but written with much more 'confident pessimism' ³³ is the analysis by D. I. MacKay and N. K. Baxter. They calculated that to

29. D. Simpson "Investment, Employment & Government Expenditure in the Highlands, 1951-60", Scottish Journal of Political Economy Vol.II, (Nov.1963) p.260.

30. Ibid, p.263.

31. Ibid, p.261-78.

32. Ibid.

33. The words are those of Kenneth Alexander see, S.F.U.C., Report of 7th Highland and Islands Conference, p.29.

prevent further depopulation between 19,000 and 26,000 jobs would have to be created and, as they differ from Simpson in considering the likelihood of attracting manufacturing to the region remote, this is 'virtually unachievable'.³⁴ They allow tourism to expand and are less dismissive than Simpson of forestry, but these two together will not be enough to prevent further inevitable depopulation. The best thing the Government can do is to stop propping up a decayed economy, induce labour out of the area instead of capital in, and concentrate on developing the North-East instead.³⁵

The importance of the Highlands as a Scottish symbol is too great for such drastic surgery ever to be acceptable and in their plan for the Scottish Economy, 1965-1970,³⁶ the new Labour Government stuck to more orthodox policies. The inevitability of further decline in agricultural employment was accepted and it was thought wrong 'to imagine that fishing can be looked to as a significantly expanding sector of the Highland economy,'³⁷ but forestry, tourism and manufacturing were all seen as having a potential for growth particularly within thirteen 'consolidation' areas (the largest of which was Inverness-Invergordon).³⁸ Perhaps the most original part of the plan was the declaration that hitherto the tendency had been to treat the Highlands as "something sui generis" requiring special treatment and insulated from criteria applied elsewhere in Britain, whereas the plan attempted to get away from this view as 'it is arguable that in the long run the Highlands have lost more than they have gained'.³⁹ It may be doubted whether this in fact brought any change in Government action but at the level of rhetoric it is a distinctive break.

34. D.I. MacKay & N.K. Buxton, "The North of Scotland Economy - a case for Redevelopment". Scottish Journal of Political Economy, Vol. 12 (1965), p.25.

35. Ibid, p.23.

36. Cmnd. 2864. This appeared in January 1966 i.e. shortly after the Board had taken office but most of it had been written before and Grieve was broadly aware of its contents. It is interesting to note that the earlier "inquiry into the Scottish Economy" (the Tothill Report of 1961) scarcely mentioned the Highlands.

37. Cmd. 2864, p.143.
38. Ibid, n.52-53 and 150.
39. Ibid, p.52.

The official plan was not the only scheme to be produced about this time. Following their battle with Beeching, the Highland Vigilantes⁴⁰ commissioned Martech Consultants to produce a report on the possibilities for development. This report, called "Highland Opportunity" came out in 1964 and covered six of the Crofting Counties (Argyll was excluded). Its general guidelines for people in the Highlands were that they should, (i) exploit the local resources; (ii) export; (iii) add value locally; (iv) develop products of high value; (v) create volume flows. More specifically it urged the setting up of a marketing cooperative to engage in promotion, selling, distribution and finance, the creation of an extensively advertised Highland brand name for all products, industries based on animal and vegetable by-products and the development of engineering related to local needs. On a grander and more speculative scale it also identified some ~~haves~~ later to be coursed by H.I.D.B. - such as cheap electricity for power - using industries and a petro-chemical complex.

The Highlands and Islands Advisory Panel also, naturally, had their own recommendations to make. Following a visit to Norway in 1961 they suggested that more financial assistance should be made available to developers; ~~there~~ should be a carefully coordinated scheme of development; better guidance and information should be available for County development officers; and a growth point policy should be pursued.⁴² But their most discussed report of the sixties, perhaps of their whole existence, was "Land use in the Highlands and Islands" produced in 1964. This was the work of a sub-committee including James Shaw Grant, Reay Clarke, John Robertson and Naomi Mitchison, and one of the reasons why

40. See Chapter 3.

41. Martech Consultants Ltd., Highland Opportunity (1964) p.17-18.

42. Advisory Panel on the Highlands and Islands, Report on a Visit to Norway, 11th to 28th September, 1961 (July 1962) Paras. 48-52.

they caused a stir was due to their insistence that compulsory purchase should not be shirked ⁴³ whether it be to obtain suitable land for the Forestry Commission (which has shied away from using its compulsory powers), to enforce efficient use of agricultural land or to ensure that fishings are being properly used. Among the other recommendations were the creation of better credit facilities, increased cooperative efforts, more reorganisation and enlargement of crofts, an increased rate of 'social' planting of forests, land reclamation and a coordinated approach to the administration of land affairs including unified management of all land owned by the Secretary of State. ⁴⁴

The Growth of Regional Aid

In the course of this century the perception of the "Highland problem" and its solution has changed, as we have seen both in Chapter 3 and in the previous section, from being concerned with agricultural improvement and the creation of viable holdings to broad recommendations for regional development. This change was paralleled in Britain as a whole by an increasing concern with the problems of the less prosperous regions. Policies to deal with these problems began to grow up in the 1930's with the Special Areas Acts but these only covered those industrial and mining areas that had been worst hit by unemployment (in Scotland basically the Clydeside - North Lanarkshire area). After the War the basis of the policy was the 1945 Distribution of Industry Act which established Development Areas, among which was included, from 1949 onwards, the Inverness - Tain district. Under the Act the Board of Trade had power, within the Development Areas, to build factories, make loans to industrial estate companies. (with Treasury Consent), make provision for basic public services and reclaim derelict land. In addition the Treasury could give grants or loans to industrial undertakings on the advice of the Development

43. Advisory Panel etc. Land Use in the Highland and Islands (1964) p.69.

44. Ibid.

Areas Treasury Advisory Committee (D.A.T.A.C.).⁴⁵ The stick to match these carrots was the need for firms to obtain Industrial Development Certificates (from the B.O.T.) under the Town and Country Planning Acts.

The Distribution of Industry Act, amended in 1958, remained the basis of regional policy until 1960 when it was replaced by the Local Employment Act. This abolished the Development Areas and set up Development Districts based on Local Employment Exchange areas. As the B.O.T.'s rule of thumb for deciding if a Local Employment Exchange area should be declared a Development District was an unemployment figure of $4\frac{1}{2}\%$ or above,⁴⁶ this meant that for the first time the whole of the seven Crofting Counties came under the net of regional policy. Other changes were the replacement of D.A.T.A.C. by the Board of Trade Advisory Committee (B.O.T.A.C.), a more flexible approach to the giving of grants and loans, and the introduction of a building grant. By 1965 the total aid to the Highlands for the year, from both the B.O.T. and the special Treasury Loan Scheme (channelled through the Highland Fund - see Chapter 2), was £590,000.⁴⁷

The system was changed again when Labour passed the 1966 Industrial Development Act. Development Districts were replaced by new Development Areas which were much larger than any previous areas (the whole of Scotland except Edinburgh was covered) and were later supplemented by Special Development Areas (which comprised the unemployment black spots of the industrial and mining areas). The only affect these changes had on the Highlands and Islands was to decrease their competitiveness with previously unscheduled areas.⁴⁸ The other major change introduced by the 1966 Act was the replacement of the 10% grant for plant (introduced in 1963) and depreciation

45. G. McCrone, Regional Policy in Britain (George Allen & Unwin, 1969)p.110.

46. Ibid, p.122.

47. H.C. Deb, Vol.725, cols. 287-8.

48. This was also the estimation of H.I.D.B. See Inverness Courier, 22/1/66.

allowances by a 40% (later 45%) investment grant.⁴⁹ Shortly afterwards Selective Employment Tax was introduced followed by the Regional Employment Premium which allowed every employer in manufacturing industry in a Development Area to claim a premium on each employee. Because of the small proportion of manufacturing industry in the Highlands these innovations once again served only to put the region in a worse position with regard to other Development Areas.

These changes all occurred shortly after the creation of H.I.D.B. Since that time regional policy has not remained constant: the position of the Special Development Areas (none of them in the Highlands) has been strengthened; the Board of Trade lost responsibility for regional policy to the Ministry of Technology, which itself was absorbed by the Department of Trade and Industry (with corresponding changes in the name of the Advisory Committee); and the Conservative Government abolished investment grants in 1970 only to find it necessary to pump massive new amounts of aid to the regions with the Industry Act of 1972.

The relative position of the Highlands and Islands viz-a-viz the other less prosperous areas seems to have first risen and then declined again since the War. Up until 1960, except for the Inverness-Tain area, the region was not assisted and therefore must have been relatively disadvantaged compared with the Development Areas - but these Areas were of quite small extent and so Inverness-Tain was in a good position. After 1960 all parts of the Crofting Counties, but not all parts of Scotland, became assisted areas - an increase in relative advantage that reached its peak in 1965 with the creation of H.I.D.B., able to offer 'special grants' (see Chapter 5) not available in other regions. This happy position however lasted only for a few months as the Industrial Development Act of 1966, S.E.T. and R.E.P. all worked to the disadvantage of the

49. McCrone, p.136.

Highlands (for the reasons given). The creation of Special Development Areas, where firms could get 30% of their wage bills paid during the first 3 years of operation,⁵⁰ had the same effect. The abolition of S.E.T. on Highland hotels in 1968 was a gain for the region but by 1969 members of H.I.D.B. were complaining that their 'unique inducement' of a special grant was in fact being matched by 'disturbance grants' offered elsewhere by B.O.T.A.C. and that in purely financial terms they had no edge.⁵¹ This last situation was rectified in 1970 when the Board were enabled to give removal grants on top of the special grants⁵² but even so the Highlands must have remained a long way short of the advantageous position they had achieved at the end of 1965, and they still could not compete with the Special Development Areas in terms of assistance offered.

The Highlands and Islands Development (Scotland) Act 1965

A growing concern with the problems of the regions plus a specific commitment to give the Highlands a development board accompanied the Labour Party to Office in October 1964. William Ross became the Secretary of State for Scotland and George Willis the Minister of State with special responsibility for the Highlands. Willis found that the Scottish Office had already prepared a draft Highland Development Bill which covered most of the points Labour were interested in. (The practise of the Civil Service preparing draft policies for the implementation of the Opposition's main election commitments is apparently a normal one).⁵³ As there were very few difficulties to be ironed out the Bill^{ready} was by December 1964 and its provisions were discussed with various interested

50. Department of Trade & Industry, Incentives for Industry in the Assisted Areas, (1971), p.21.

51. Select Committee on Scottish Affairs, Session 1969-70, H.C. 267-I, p.42.

52. H.I.D.B., 5th Report, 1970, p.16.

53. See R.H.S. Crossman, Inside View, (Jonathan Cape, 1972) p.13.

parties. It was given its first reading on February 22nd 1965. Public response was generally favourable although there were reservations expressed about some of the powers given to the proposed Board.⁵⁴ The exception to the general moderation was Michael Noble who called it a "measure of pure Marxist ancestry" which would give the Socialists "power to nationalise all the land in the Highlands", "acquire probably by compulsory purchase every business, hotel and industry they want" and "extinguish the rights of every farmer, crofter or other person on the land".⁵⁵ The sharpness of the attack hardly squares with the fact that the ~~Conservation~~ ^{Conservatives} did not force a vote on the second reading of the Bill or show any desire to amend the Act when they came into power, so perhaps Noble (who was speaking at a Young Unionist Weekend School) was just keeping up the spirits of the troops.

The second reading took place on the 16th March with both Labour and Liberal Parties enthusiastically supporting the Bill.⁵⁶ The line of argument of their speakers (including Ross and Willis) was simply that the Highlands had been an economically underdeveloped region for too long and there were few signs of improvement. A Highland development board was a necessary first step in bringing about improvements and it had to be armed with a wide range of powers to assure that it was not thwarted. The other main theme of the Bill's supporters was the poor use to which much of Highland land was put and ^{the} need to force bad landlords to undertake development.⁵⁷ The Conservatives did not bother to attack the principle of a development board and were not nearly as hostile to the Bill as Noble's speech might have suggested; nevertheless they were strongly critical

54. See Glasgow Herald 24/2/65 and Inverness Courier 26/2/65.

55. ^{The} Scotsman and Glasgow Herald, 1/3/65.

56. The debate is to be found in H.C. Deb, Vol. 708, cols. 1079-1204.

57. e.g. see Archie Manuel's speech, H.C. Deb, Vol. 708, col. 1127.

on certain points. Most notably they argued that the Bill gave to the Board (or rather to the Secretary of State - see next point) excessive powers; in particular they disliked clauses 4, which dealt with compulsory purchase of land, 6, which allowed the Board to acquire or set up businesses and carry them on (and which the Conservatives interpreted as allowing the Board to take over businesses without the owner's consent) and above all clause 11 which permitted the Board to require owners of land or businesses to furnish them with any information they thought necessary for the exercise of their functions. Secondly, the opposition claimed that the Board itself was practically powerless as almost all it was to be allowed to do depended on the agreement of the Secretary of State: the (excessive) powers conferred by the Bill were not conferred upon an independent Board at all but on the Secretary of State. They wanted the Board to be more autonomous. Thirdly, and here they were joined by the Liberals and even a few Labour backbenchers (e.g. Malcolm MacMillan), they said that the amount of money being given to the Board - £150,000 in its first year, expected to rise to about £1m. a year by 1968-69 ⁵⁸ was much too small. Not too much can be made of this money question as in fact the £150,000 only covered a 5 month period and by 1968-69 the Board were receiving a grant-in-aid of slightly over £2m. but even so this was a lot less than many supporters of a ^{development} ~~development~~ Board had been demanding (the S.T.U.C. for example). A number of minor points were also made: for instance Noble thought that the Board should take over the functions of some of the other bodies operating in the Highlands; for the Liberals, George Mackie urged that the Board be allowed to have a revolving fund; Malcolm MacMillan and Archie Manual from the Labour back benches attacked

58. H.C. Deb, Vol. 788, col.1084.

the idea of growth points; and there was disagreement between members of the two main parties about the relative merits of public and private enterprise for development purposes.

Despite their criticisms the Conservatives did not force the issue and the Bill passed into Committee after an unopposed Second Reading. In Committee it received a number of minor alterations including having its name changed from the Highland to the Highlands and Islands Development (Scotland) Bill but the Government resisted any weakening of Clauses 6 and 11. The most important Committee ~~change was probably~~ the decision to ensure that the Board's Chairman should be full time, which the Government accepted after it appeared that it had support in all three parties. Other concessions were introduced at the report stage.⁵⁹ 'by agreement' was added to the phrase permitting the Board to acquire businesses, thus underlining, for the sake of the Conservatives, that the Board did not have the power to acquire businesses at will (which had never been the Government's intention). Among the more notable of the other amendments accepted during the Report on the Bill was one making it obligatory for the Board to consult with the Local Authorities and other relevant bodies before putting formal proposals to the Secretary of State, and one specifying procedure for appeal to a Sheriff by a person who considers that the Board's demand for information from him is unjustified. The opposition forced votes on three of their amendments, all of which were defeated. The first sought to limit the right of the Secretary of State to give directions to the Board to those cases where it was 'in the public interest'. Labour and the Liberals claimed that this added nothing. The second tried to limit the Board's right to acquire to land within the Crofting Counties or 'adjacent areas'. This was

59. The Report and Third Reading are in H.C. Deb, Vol. 714, Cols. 908-1046.

rejected because it might be useful for the Board to acquire a base outside this area. The third concerned the contentious Clause 11 and sought to put limits on the Board's right to demand information.

The Bill passed directly from the report stage to the Third Reading where most of the old arguments were repeated. Ross claimed that the powers given were not excessive but merited by the problems of the Highlands and that most fears concerning them had now abated. Noble reiterated the points about the Board being too much in the pocket of the Secretary of State, not having enough money, and the Bill conferring powers "unprecedented in their combination".⁶⁰ He also challenged the Government to describe just what ideas they had about what the Board would do, saying that the Bill would in itself solve nothing. As was to be expected there was no division on the Third Reading. The passage of the Bill through the Lords gave no problems. The Tory peers expressed the same sort of reservations as their colleagues in the Commons about the Board's powers but with a few exceptions (such as Lord Burton who was completely opposed to it) the measure received cautious support.⁶¹ By the beginning of August 1965 the Bill had become an Act.

The details of the Act are as follows: it sets up a Highlands and Islands Development Board "which shall have the general function of preparing, concerting, promoting, assisting and undertaking measures for the economic and social development of the Highlands and Islands",⁶² the Highlands and Islands being the seven Crofting Counties plus any adjacent areas designated by the Secretary of State by order of a statutory

60. H.C. Deb, Vol. 714, col. 1040.

61. H.L. Deb, Vol. 267, Cols. 730-46, 750-3, 756-834.

62. The Highlands and Islands Development (Scotland) Act 1965, Section I(1).

instrument (no such area has yet been so designated). The Board is to consist of a chairman and not more than six other members all appointed by the Secretary of State and is to be advised by a Highlands and Islands Development Consultative Council. The Secretary of State can give the Board general directions as to the exercise of their functions. (This power has in fact never been used). The duties of the Board are (a) to keep under review everything relating to the economic and social well-being of their area; (b) after consultation with Local Authorities and other relevant bodies to submit proposals to the Secretary of State; (c) to undertake, assist etc. the implementation of any proposals approved; (d) to advise the Secretary of State and to prepare an annual report which will include any directions given by the Secretary of State and any proposals submitted to him, plus, if he does not approve them, his reasons for not doing so. In order to carry out these duties the Board is given a wide array of powers. It can acquire land, if necessarily compulsorily, hold, manage and dispose of this land providing in each case it has the approval of the Secretary of State. It can erect buildings, carry out works, provide equipment and services^{on} or in connection with land, either its own or, with the consent of the interested parties, any other.

The Industrial Estate Management Corporation for Scotland (which later became the Scottish Industrial Estates Corporation) is given the power to act as agent for the Board in connection with their various operations on land. With the approval of the Secretary of State and the Treasury the Board can acquire or set-up and carry on any business. It can provide training, management, accountancy and other services; promote the publicising of the Highlands and Islands; give grants and loans in accordance with arrangements approved by the Secretary of State and Treasury; engage in other activities that it thinks will encourage the development of industrial, commercial or other enterprises; carry out or commission

research; make charges for its services; and accept gifts. With the consent of the Secretary of State/^{and} the Treasury it can also borrow money. Further the Board is given the power to authorise the entry upon land in order to survey it (which includes boring for minerals) and to require any owner or occupier of land or any person carrying on a business to furnish it with specified information providing this information is not disclosed other than for the purposes of the Act. The Board has to keep proper accounts, to be inspected by the Controller and Auditor General, and to submit an annual financial statement to the Secretary of State. Finally, before granting approval to a development by the Board that would otherwise require planning permission from the Local Planning Authority the Secretary of State must consult with the relevant local authority. In addition to the main body of the act there are also two Schedules, one concerning the constitution of the Board and the other, that of the Consultative Council. Regarding the Board the most notable sections state that the majority of its members, including the chairman, shall be full time, describe the procedure if any member has a pecuniary interest in anything the Board is considering (he must declare this interest and not take part in any discussion or vote on the matter), and give the Board the right to employ its own staff and pay them an amount approved by the Secretary of State and the Treasury. Concerning the Consultative Council the Act ensures that the Secretary of State must appoint members so that there is 'appropriate representation' of the different parts of the Highlands and Islands and that the Secretary to the Council is an employee of the Board.

It was thought by everyone, including the Government, that the 1965 Act gave the Board a more or less complete set of powers, but in fact a rather obvious gap appeared early in the Board's life when they sought permission to take equity shares in companies. The Lord Advocate ruled

that as this power was not specifically mentioned it could not be held to be possessed by the Board. They appealed to the Secretary of State to give them this power but though the Government's intention had been that they should have it, it was not possible to fit an amending Act into the legislative timetable. Fortunately for the Board, Robert MacLennan, M.P. for Caithness and Sutherland, had a chance to introduce a private members' Bill and asked them if they wanted any amendments to their Act. The result was the Highlands and Islands Development (Scotland) Bill of 1968 (actually it began life under a slightly different name) which sought to give the Board power to acquire (by agreement), hold and dispose of any part of the shares or stock of a company.⁶³ Although the Conservatives had earlier opposed a Bill giving similar powers to the President of the Board of Trade they did not attempt to fight MacLennan's Bill which therefore became an Act by July 1968.

The Board were not so successful in getting one other extension of their powers that they would have liked. The 1967 Agriculture Act made provision for the setting up of Rural Development Boards with power to request knowledge of the transfer of land either from one person to another or from one use to another; to control the allocation of land by refusing to allow its transfer from one use to another and, having done so, to purchase the land from its owner if he no longer wanted it. The Act also allowed these powers to be given ^{to H.I.D.B.} by order of a Statutory instrument and in their evidence to the Select Committee on Scottish Affairs the Board said that such powers would be useful.⁶⁴ However, they never got them, and when the Conservatives came to power in 1970 the Rural

63. The Highlands and Islands Development (Scotland) Act, 1968.

64. Select Committee on Scottish Affairs, Session 1969-70, Minutes of Evidence, H. of C. Paper 267-1, p.24.

Development Boards were wound up, making the question hypothetical. It could be said that the Board's original powers allowed them to do most of what a Rural Development Board could do, but this would have required the use of the powers of compulsion from which the Board, and particularly Grieve, shied away (see chapter 5).

Together with its powers, the most important item controlling the Board's scope and limits are its finances. By far the largest source of the Board's income is the Grant-in-Aid borne, until 1969, on the vote of the Department of Agriculture and Fisheries for Scotland which exercised departmental responsibility for the Board up to November 1968. Since then responsibility has been exercised by the Scottish Development Department.⁶⁵ (The change had no particular significance for the Board and was part of a general realignment of functions- see chapter 2). The Board's estimate contains four main subheads:⁶⁶ (i) Administration, which in turn is divided into salaries, travelling expenses, general administration and the expenses of the Consultative Council. (ii) Research, Surveys and Publicity - which of course includes such things as the fees of consultants and the cost of industrial promotion. (iii) Grants and loans -self explanatory and easily the largest item; (iv) Projects and developments - those schemes carried out at the Board's own hand. The main conditions attached to the grant-in Aid are: (i) approval is required for the transfer savings from one head to meet excess expenditure on another; (ii) approval is required for expenditure on a new service or any long term financial commitment or for the write-off of any losses; (iii) no additional increase in staff (or their salaries) can be made without prior approval; (iv) the Board must send the department (D.A.F.S or S.D.D.) copies of their monthly accounts and the approved minutes of Board Meetings.⁶⁷

⁶⁵. Ibid, p.7.

⁶⁶. Ibid, p.11.

⁶⁷. Ibid, p.12.

Until 1968 the Scottish Office was even more intimately connected with the Board through an assessor who sat ~~in on~~ all Board meetings. Detailed regulations also controlled grants and loans given by the Board. These are discussed below (chapter 5) and will not be mentioned here except to say that the maximum the Board was allowed to give in total grant plus loan without asking approval was £25,000 up to mid 1969. After this it was raised to £50,000 and at the beginning of 1972 it was raised again to £75,000. With the approval of the Scottish Office the Board could give financial assistance of £50,000, £100,000 and £150,000 respectively, over the same periods. For amounts greater than these the case had to be referred to the Treasury and the Board of Trade (or successors).

This then was the institution created by the 1965 Highland and Islands Development (Scotland) Act and subsequent administrative arrangements. How does it compare with the various suggestions for a development board that preceded it? To begin with it is clear that the Board belongs broadly speaking to the genus of (non-trading) public corporations as found in Britain and has no relationship with the sort of regional local authority having exceptional powers that was favoured in some quarters. (The idea⁶⁸ was again brought up by John MacKintosh in 1967). It was therefore quite close to the S.T.U.C.'s idea of what such a body should be. Secondly, it undoubtedly did have, as surely many of those who supported the creation of such a body had hoped for, powers that were in Michael Noble's words "unprecedented in their combination". What other body could give grants and loans, purchase land compulsorily, start its own businesses and, perhaps most unusual of all, ~~had~~ such wide powers to collect information whether or not those with the information wanted to impart it?

It was these powers that chiefly impressed observers at the time

68. Glasgow Herald, 22/7/67.

but in retrospect we can see that the limitations were equally important. The Conservatives pointed out during the debate on the Second Reading that many of the powers were given to the Secretary of State and not the Board and it is true that the Secretary of State's approval is needed for a wide range of things the Board might want to do. Not only can he give them general directions, and not only must they submit proposals for economic and social development to him, but before they acquire or dispose of land, set up or acquire and carry on businesses, give financial assistance over and above a fairly small total or borrow any money, they need his approval (and in the last three cases also that of the Treasury). Some of these controls are probably inevitable; it is unlikely that any Government would set up a body with the unusual combination of powers of the Board and then provide itself with no control over it. More significant, because involving a more detailed form of interference are the conditions attached to the Grant-in-Aid described on page 24. The Board is handicapped here in having no real source of its own revenue and therefore being highly dependent upon public money whose guardians in the departments cast a nervous eye on its expenditure. As we have seen the Board cannot add one member to its staff without approval; during the discussion of each year's estimates it must defend all of its projects and its publicity campaigns; it needs approval for anything that will involve a long-term financial commitment and, unlike B.O.T.A.C. (and successors) whose decisions not even the Public Accounts Committee could (can) investigate, the H.I.D.B. is under the surveillance of the Comptroller and Auditor General. Altogether the Board's freedom to manoeuvre independently of the central departments (i.e. the Scottish Office and the Treasury for the most part) has very definite limits.

The Board was limited in another way as well: in its scope. One

of the objections to a development board put forward by the Royal Commission on Scottish Affairs was that it would cut across the responsibilities of existing bodies. As a matter of tactics, in order to avoid any unpleasant infighting that would have occurred if they had attempted to remove any of the existing functions from either the Local Authorities or the statutory bodies involved in some aspect of Highland development, the Government decided not to reallocate any of these functions to the Board. (To be precise, one body - the Scottish County Industries Development Trust - was limited to non-Highland Areas, - see chapter 2). Furthermore the Board was not given any sort of Commander-in-Chief role to direct these other bodies (as the Liberals had suggested) except in as far as they could persuade the Secretary of State to intervene. This meant that a very large number of things relevant to Highland Development including physical planning, provision of infrastructure, forestry, agricultural subsidies, hydro-electricity and transport were outside the Board's control. Of all the money spent by the Secretary of State's Departments and the Forestry Commission in the seven Crofting Counties (almost £44m. in 1967-68) ⁶⁹ only a very small amount (about £1.5m. in the same year) came under the control of H.I.D.B. Far from being the organisation administering the Highlands, the Board was perhaps not even first among equals. To say this however is to indulge in hindsight, in 1965 the importance of the Board was probably generally perceived in much more positive terms.

The Board's Members and Public Reaction

Having created a Development Board the next problem was to find members for it. It was clear that for the Board to look credible its

69. H.C. Deb, Vol.782, col.464.

Chairman had to be a man of some distinction and Ross and Willis cast around for some time looking for^a suitable person. Eventually George Middleton, Vice-Chairman of the Scottish Economic Planning Council, suggested Robert Grieve and, after seeing him, the Secretary of State agreed. Grieve, newly appointed Professor of Town and Regional Planning at Glasgow University, was a planner of international repute. He had been a Senior Technical Officer involved in the preparation of the Clyde Valley Regional Plan from 1944-46; the Regional Planning Officer, first for the Highlands and Islands from 1946-49 and then for the West of Scotland until 1960, in the Department of Health for Scotland. From 1960-64 he was the Chief Planner at the Scottish Office and after that he was appointed to the Glasgow University Chair.⁷⁰ Though from Glasgow rather than the Highlands by birth, he had always taken a great interest in the region and was characterised in the press as an 'enthusiast' for Highland Development.⁷¹

The Labour leaders were determined that the majority of the Board's members should be 'known' in the Highlands - either Highlanders themselves or people who had strong connections with the area. Of the remaining five Board members (excepting Grieve that is) no less than four - John Rollo, Prophet Smith, John Robertson and William Scholes - were members of the Highland Panel. The Deputy Chairman - who by the terms of the 1965 Act, Ross could only appoint after consultation with Grieve⁷² - was John Rollo. Rollo was a businessman who ran an engineering firm with its headquarters at Bonnybridge and two small branch factories in small townships in the Crofting Counties (as well as two in the Perthshire Highlands). The branch factories were an example of Rollo's commitment to the re-juvenation of the crofting system by giving the crofters opportunities to

70. Who's Who 1970; most of the other biographical details of members came from interviews and newspapers (e.g. Glasgow Herald 6/10/65 and The Scotsman of the same date).

71. e.g. in the Observer 5/5/66.

72. Though Grieve in fact denies that he was consulted.

supplement their income from agriculture by part-time work in manufacturing industries. He himself had successfully run a croft in Argyllshire ⁷³ and was the Chairman of the Highland Fund. Prophet Smith was a Shetlander and had been the Convener of Shetland County Council for a number of years up to the early 1960's when he had gone to work in Edinburgh for the Scottish Agricultural Organisation Society. John Robertson, in his thirties the youngest member of the Board, was an Easter Ross farmer, but with an engineering degree from Cambridge. As things turned out (see chapter 6) his enthusiasm for technology considerably outran his commitment to farming. He was at the time of his appointment a part-time member of the Crofters Commission. The above people were all full-time Board members; in addition to them there were two part-timers: William Scholes had been the Secretary of the Scottish Region of the Transport and General Workers Union and was in effect the S.T.U.C.'s Highland Affairs man. As well as being on the Highland Panel he was a Development Commissioner. Finally there was the only member, other than Grieve, not on the Highland Panel - William Logan. Logan had built up his Muir of Ord building and construction firm to a company of national reputation and had won the contract for the Tay Bridge; he was at that time undoubtedly the most famous entrepreneur based in the Crofting Counties.

This line up did not last very long as Logan was killed in an air crash early in 1966 and was replaced on the 7th March by Frank Thomson. Thomson was another entrepreneur who, beginning his career as a Dingwall Accountant, had taken over with a partner the huge but uncompleted grain whisky distillery at Invergordon in 1959. The capital to complete the distillery was provided by London Merchant Securities, a firm belonging to the financier Max Rayne, and Thomson was made managing director with ~~of the distillery~~. He resigned this managing directorship shortly after

73. The croft was unusually successful and its accounts are described in the Taylor Commission's Report on Crofting - though without Rollo's name being mentioned.

becoming a Board member. A number of his other activities had brought him considerable publicity: he was chairman of the Scottish Vigilantes Association and had led that body's 'MacPuff' campaign to save Highland railways from Beeching; he took over Ross County Football Club which had considerable successes in 1965-66 and he formed a distillery pipe band which won the European Championship.⁷⁴ By the time of his appointment he was a notable local figure and had become "one of the most prominent men in the Highlands".⁷⁵ Only a year later he was in the centre of the worst controversy the Board has ever faced and resigned (see chapter 6 for the full story). He was replaced by Tom Fraser, Labour M.P. for Hamilton from 1943-67 and Minister of Transport 1964-65. Fraser had also been appointed the Chairman of the North of Scotland Hydro-Electric Board to replace Lord Strathclyde, so his part-time membership of H.I.D.B. was doubtless to provide a link between the two bodies. Another change occurred in 1967: Robertson resigned (again the reasons are in chapter 6) and was replaced by Sir James MacKay, who had been a civil servant since 1940, serving in several different departments, and finally becoming a Deputy Secretary at the Home Office.⁷⁶ MacKay became a member of the Countryside Commission in 1968 and of the new statutory Scottish Tourist Board in 1969, providing H.I.D.B. links with those bodies.⁷⁷ The two resignations brought a decrease in the 'Highland' element of the Board's membership as (in spite of their names) neither Fraser or MacKay could really be said to have very close links with the Crofting Counties. A

^{The}
74. / Scotsman, 17/3/67.

^{The}
75. / Scotsman, 17/3/67.

76. Who's Who 1971.

77. H.I.D.B., Fourth Report 1969, p.2.

summary of this changing pattern of membership over the years 1965-70 is given in Table VI.

It has been claimed ⁷⁸ that the members of the Board during these first five years were 'political' (i.e. party political) appointments. The claim was put most insistently with regard to Thomson ⁷⁹ who very undiplomatically campaigned boisterously for Labour in the 1966 election, shortly after his appointment to the Board. However there is no reason to suppose that the Labour leaders knew of Thomson's support for their party until this electioneering was brought to their attention (by an irate Russell Johnston among others) after he had been appointed. ⁸⁰ There were, as we have seen, rather obvious non-partisan reasons why he should have been appointed: ... besides he only replaced Logan because of an accident and the latter was never suspected of Socialist sympathies. Of the others, Smith was known to have links with Labour which were borne in mind by those appointing him - but he has been since re-appointed by the Conservatives which suggests that he was not a mere "political" choice; Scholes as a trade unionist might have been expected to prefer Labour but his appointment was as a trade unionist - a category a Labour government would have found it difficult to omit from the Board in view of the S.T.U.C.'s years of work to get such a body created. Fraser hardly requires comment. None of the others had any connection with the Labour Party: as civil servants who had worked for years under Conservative Governments both Grieve and MacKay could be expected to be fairly neutral about such matters - certainly neither of them were appointed for party reasons. Robertson is at the moment (1973) the Liberal Candidate for Ross and Cromarty and Rollo has never been a Labour supporter. Taken

78. For instance by Lord Lovat and more significantly (and surprisingly) by Rollo (in interviews).

79. See Campbell in Scottish Grand Committee, Debate on the Scottish Estimates, 13/7/67, col. 287.

80. Ross in H.C. Deb, Vol.743, col. 1929.

Table VI: H.I.D.B. Members 1965-70Full-Time Members

- | | | | | |
|----|--|--------------------------|-----------------------|--|
| 1) | <u>Grieve:</u>
(Chairman) | Appointed
1 Nov. 1965 | 5 Year Appointment | Term ended 31st
Oct. 1970 |
| 2) | <u>Rollo:</u>
(Deputy Chair
man) | Appointed
1 Nov. 1965 | 5 Year Appointment | Term ended 31st
Oct. 1970 |
| 3) | <u>Smith:</u> | Appointed
1 Nov. 1965 | 5 Year Appointment | Reappointed for 2nd
term, 1 Nov. 1970 |
| 4) | <u>Robertson:</u> | Appointed
1 Nov. 1965 | 5 Year
Appointment | Resigned
7 July 1967 |
| 5) | <u>MacKay:</u> | Appointed
7 Aug. 1967 | 5 Year
Appointment | Appointment continued
until 6 Aug. 1972 |

Part-Time Members

- | | | | | | | |
|----|-----------------|---------------------------|---|-----------------------------|-----------------------|-------------------------------|
| 6) | <u>Scholes:</u> | Appointed
1 Nov. 1965 | 3 Year
Appointment | Re-appointed
1 Nov. 1968 | 2 Year
Appointment | Term ended 31st.
Oct. 1970 |
| 7) | <u>Logan:</u> | Appointed
1 Nov. 1965 | Died
22 Jan. 1966 | | | |
| 8) | <u>Thomson:</u> | Appointed
7 March 1966 | 3 Year
Appointment | Resigned
31 March 1967 | | |
| 9) | <u>Fraser</u> | Appointed
1 Sept. 1967 | 3 Year Appointed
plus 2 months extension | | | Term ended 31st
Oct. 1970 |

Source: H.I.D.B. Reports.

as a whole these do not really seem an especially partisan set of appointments.

Other general criticisms directed at the Board's membership were that there was no Gaelic speakers among them and (a related point) no-one from the Western Isles.⁸¹ These criticisms imply a conception of the Board as in some sense a 'representative' body which it was never supposed to be (that job going to the Consultative Council), though the idea was deeply rooted in some minds.

Reaction to the Board (as opposed to its members) in this period before it had actually got started, ranged from mild hostility to enthusiastic support - in other words the 'median feeling' if such a thing can be spoken of, was in favour.⁸² Many of those who had been sceptical about the usefulness of a ^{development} ~~dev/lopment~~ board remained so.⁸³ Several Highland peers and the Convenor of Inverness County Council, Sir Francis Walker, agreed with the Tories that the powers given to the Board were excessive⁸⁴ - perhaps the commonest cause of concern. Some, at least, of the landowners and their allies suspected the Board was "the army of an anti-laird crusade",⁸⁵ which is probably exactly what many of the more radical supporters of the Board hoped for. Was it the Government's intention? Almost certainly not. Although Ross in his speech on the Second Reading made misuse of land a main point and no doubt expected that the Board would 'do things on land'⁸⁶ he made no attempt to use

81. See for instance the Chief of Inverness Gaelic Society's comment in Inverness Courier 5/4/66 and Farquhar Gillanders in Thomson & Grimbale, p.123.

82. Professor Grieve has suggested that the Board faced a good deal of suspicion at the beginning. This may be so but the public reaction was nevertheless generally favourable and Willis (the Minister of State) declared early in 1966 that he was impressed by the welcome extended to the Board (Inverness Courier 14/1/67).

83. See for instance the Glasgow Herald 24/2/65.

84. H.L. Deb, Vol.267, cols.741, 787 & H.C. Deb, Vol.708, col.1154.

85. James Holborn, "The Troubles of the Scottish Tories", Spectator, 23/4/65.

86. Robertson's contemptuous expression for what he thought was expected of the Board.

his powers to direct them on this issue and he did not select Board members who would make vigorous anti-laird crusaders - in fact in Grieve he chose a man temperamentally averse to compulsion. Altogether it is hard to believe that Ross or the other Labour leaders had anything but a hazy idea of what they wanted or expected the Board to do; certainly the only suggestion they made to Board members was to do something visible quickly as otherwise Highlanders would see them as just another investigating committee.

If the Government's expectations as to what the Board would do cannot be said to be more than indefinite - 'unanalysed abstractions' - a good many of its supporters had radical hopes: the creation of a new pattern of land use and an experiment in Socialist planning with the 'commanding heights' of the economy really in public hands were talked of.⁸⁷ Everywhere expectations were high (probably excessively so), for here was an entirely new venture in British Regional policy: a body separate from the regular central departments (unlike, say, the Scottish Economic Planning Board which consisted of civil servants) with "autonomy both to formulate its policy and carry it out"⁸⁸ and a wide range of powers to back it up.

Some International Comparisons

The example in the minds of many of those who had pressed for a Highland Board was the Tennessee Valley Authority.⁸⁹ Just how did the Board, as created in 1965, compare with T.V.A. and other foreign agencies whose duties were to bring regional economic revival? As this study is mainly concerned with the activities of one public agency in a multi-

87. K. Alexander, "Commanding Highlands", New Statesman, 8/10/65.

88. G. McCrone, "The Highland Development Board", New Society, 2/12/65.

89. See for instance the Scottish Trade Union Congress, 60th Report (1957), p.132 in which mention is made of the Hydro-Electric General Committee's requests for a T.V.A.-like body in the Highlands and also George Mackie in H.C. Deb, Vol. 708, col. 1143.

organisational environment and not with comparative regional development, there is not space here to say much about overseas development ~~organisations~~ ~~tions~~, but a brief description of a few select cases might help to give some perspective on the powers and duties of H.I.D.B. I shall therefore limit myself to four examples: the T.V.A., inevitably, because of its importance as a point of reference; another of the earliest, largest and most famous of regional development bodies - Italy's ~~Cassa per il~~ Mezzogiorno (Fund for the South), and two agencies dealing with areas whose problems are very similar to those of the Highlands - the Regional Development Fund of Norway and the Atlantic Development Board of Canada's Maritime Provinces. Before discussing these examples let us briefly recapitulate the distinctive features of H.I.D.B.: firstly of course it was a regional body; secondly it was independent of both the central departments (except that it depended on them for money) and the local authorities; thirdly it was an executive organization not just a planning and advisory one; fourthly it had a wide range of responsibilities covering all sectors of the economy (but no authority over other bodies involved in the same fields); and fifthly, subject to permission by the Secretary of State, it had some quite extensive powers, for instance it could acquire land (if necessary compulsorily) and do what it thought fit with it, start its own businesses, and give grants and loans to private developers.

Taking the overseas examples in reverse order, the Norwegian Regional Development Fund was started in 1960. Its main difference from H.I.D.B.

(and the other bodies to be described here) is that its activities are not confined to one particular part of the country but take place wherever there are "special employment difficulties or where under-developed industrial conditions prevail".⁹⁰ The reason for this is that the

90. Regional Policy in EFTA, Industrial Mobility, (Geneva, 1971) p.139.

national economic problem in Norway is regional development ⁹¹ and the regions that need help in this respect are widely spread throughout the Country - though the problem is most acute in the North. The aim of the Fund is to promote measures to increase 'permanent and profitable' employment - a remit considerably narrower than the Board's - and to do this it gives loans and guarantees for loans, compensation for relocation and commencement costs, grants for the training of labour, and technical and commercial guidance to firms. It also engages in research and planning for possible new industries. ⁹² Unlike H.I.D.B. it does not have powers to acquire and manage land or start its own businesses, but if its powers are smaller its ^{finances} figures are much greater - between 1961 and 1968 its average annual assistance to all projects was between £8½m and £9m ⁹³ - but of course the area and population it has to deal with are much greater than the Board's. On the whole the Fund deals with larger projects than the Board, indeed there is a small independent "Fund for Handicrafts and Small Enterprises" which deals with firms employing under 20 people ⁹⁴ (the bulk of projects given assistance by the Board are below this size), and in this respect, as in the geographic/^{al} spread of its responsibilities, it is more like BOTAC (DATAC, LEAFAC etc.) than like H.I.D.B. On the other hand BOTAC is mainly concerned with aid to declining industrial areas in Britain whereas the regional problem in Norway is much closer to

91. "It is difficult to draw a rigid distinction between national policy and regional development policy in Norway" *ibid*, p.138.

92. *Ibid*, p.138-9 and also Distriktenes Utbyggingsfond, Policies for Regional Development in Norway (Oslo, 1968) Sec. 2B.

93. Policies for Regional Development in Norway, Sec. 2B.

94. *Ibid*, Sec. 2C.

that of the Highlands. Like H.I.D.B. the Fund is an autonomous body, with its own Secretariat, Board and Council, responsible to a central department (the Ministry of Local Government and Labour). It can lend up to Kr. 1m. (£58,000) ⁹⁵ on its own authority but any larger amount must be submitted to the King in Council. Like the Board as well, it has to rely on the local authorities for the provision of infrastructure and physical planning.

In Canada the Atlantic Development Board was created in 1962 by the Conservative Government to be an advisory and planning body. Its original function was to consider how economic development could be furthered in the four provinces of New Brunswick, Newfoundland, Nova Scotia and Prince Edward Island. However, in 1963, only a few months after its creation, the new Liberal Government gave it executive functions by making it responsible for the newly created Atlantic Development Fund. Since then the bulk of the Atlantic Board's work has concerned the disbursement of this fund. ⁹⁶ The remit of ADB - to foster the economic growth and development of the Atlantic region - is very similar to H.I.D.B.'s except that there is no ^{mention} of 'social development'. But the pattern of its expenditure has been very different; particularly in its early years it concentrated heavily on infrastructural provision - electric power, transport and water supplies in that order - and spent relatively little on financing private developers. ⁹⁷ As with Norway's Regional Development Fund, ADB covers a larger area and a bigger population than H.I.D.B. and therefore has a larger budget. Its approved expenditure in

95. Ibid, Sec. 2B. This was in 1968 when the comparable figure for the Board was still £25,000. Though I have used the present tense throughout this section, the information about the various institutions in fact generally relates to the late 'sixties and changes have no doubt occurred since. The exception is T.V.A., the facts about which are drawn from books published in 1955 or before. However I do not think there have been any relevant changes in the organisation since then.

96. F.T. Walton, "Atlantic Development - An Appraisal", The Business Quarterly, Vol.33, No.3. (Summer 1968), p.64-65.

97. T.N. Brewis, Regional Economic Policies in Canada (Toronto, Macmillan, 1969), p.186.

the five years from the creation of the Atlantic Development Fund to mid-1968 was \$187.9m⁹⁸ which in terms of assistance per head of population per annum is somewhat greater than the amount spent by H.I.D.B. in its first five years.⁹⁹

The Atlantic Development Board is another independent, specially appointed organisation and in fact has more autonomy than H.I.D.B. in that it reports directly to a specially designated Minister rather than through one of the federal departments.¹⁰⁰ On the other hand like the Norwegian body it lacks many of H.I.D.B.'s powers - it cannot take over land for instance or start up its own businesses. (It should perhaps be said that neither in Canada or Norway is there the same problem of large private estates such as are found in the Highlands and therefore the power over land would be less relevant). Unlike the Norwegian organisation (and H.I.D.B.) however ADB cannot authorize any grants or loans without cabinet approval.¹⁰¹

Italy's regional development organisation, La Cassa per il
on
Mezzogiorno is/an altogether different scale than any of the bodies mentioned so far. Started in 1950 (and therefore of an earlier generation than H.I.D.B., ADB or the Regional Development Fund) its responsibilities cover most of Italy south of Rome, including Sicily and Sardinia - some 40% of the area of the whole country and containing about 20m people or 38% of its population.¹⁰² The problems of the Mezzogiorno are similar in some ways to those of Norway, the Highlands or the Atlantic Provinces in that it has a lack of/^{manufacturing} industry, heavy reliance on primary industries in which employment is contracting and

98. Ibid.

99. If we call this figure approximately £75m and the population of the Atlantic Provinces about 2m. (Brewis, p.10) then the assistance per head per year is about £7.5. The equivalent H.I.D.B. figure (see Table viii) is about £5.4. But note that much of the money disbursed by ADB would, in Scotland, come through the Scottish Office rather than H.I.D.B.

100. F.T. Walton "The Early Work of the Atlantic Development Board; An Appraisal" (Unpublished, Univer of Glasgow, 1967) p.2.

101. Walton, (1968) p.63.

102. K. Allen & M.C. MacLennan, Regional Problems & Policies in Italy and France, (Allen & Unwin, 1970) p.19.

remoteness from the main centres of national economic life. But it is very different in being relatively densely populated and having a much greater absolute level of poverty. The function of the Cassa is much the same as that of the other bodies already discussed - economic development - and superficially it is the same sort of agency, an autonomous body separated from the traditional central departments and headed by a specially appointed board. However because the problems it has to deal with are on such a larger scale, its controlling committee consists not of Ministerial appointees but of Ministers themselves.¹⁰³ It therefore occupies a more important place in the administrative hierarchy than the other organisations mentioned. Because of both its wealth and the political traditions of its area of operation, the Cassa has become entangled in political patronage.

The Cassa has a very wide range of responsibilities, not only providing assistance to all sectors of the economy of the South but also dealing with infrastructural matters like transport, power and water, to the point that at one time it actually came to be a substitute^{for}, rather than an addition to the ordinary Ministries.¹⁰⁴ In its early period, up to 1957, the Cassa concentrated heavily on agriculture but since then there has been more stress on manufacturing industry with a wide range of financial incentives being offered especially to those firms going to the designated growth areas.¹⁰⁵ Despite the range of its responsibilities the Cassa lacks several of the powers possessed by H.I.D.B.; it cannot for instance purchase land compulsorily¹⁰⁶ and neither does it set up businesses on its own account (though this power is possessed by other

103. Ibid, p.47.

104. Ibid, p.48.

105. Ibid, p.50-61.

106. This was in the 1960's. Italian law concerning compulsory purchase has been recently changed.

Italian State agencies operating in the region, e.g. the I.R.I.).

The most venerable of the institutions to be discussed here is the U.S. Tennessee Valley Authority. Created in 1933, T.V.A. is rather different from the other organisations described in that its sole, or perhaps even primary responsibility is not regional development. For although the Chairman of the House Committee that dealt with the T.V.A. bill described the Authority's duty as being the balanced development of the resources of the Tennessee Valley,¹⁰⁷ the resulting Act specifies T.V.A.'s purposes in considerably more detail; these are (i) flood control; (ii) improved navigation; (iii) generation of electric power; (iv) the proper use of marginal lands; (v) re-afforestation; and (vi) securing the economic and social well-being of the region's population. It also operates the plant at Muscle Shoals, Alabama for the manufacture of fertilizers and explosives.¹⁰⁸ Except for (vi) all these measures are fairly specific and though it can be claimed that they will all encourage economic growth, the point is that this is incidental. Even if it could be shown that, say, flood control had little effect on economic growth T.V.A. would still have to undertake it whereas the other regional development bodies are not tied to such specific measures. The second important distinction between T.V.A. and the rest is that the latter have to depend on grants from the central governments of their respective countries, T.V.A. through its sale of electricity and of fertilizers produced at the Muscle Shoals plant, has a substantial revenue of its own. (Though Congressional appropriations were still needed to finance the other functions).¹⁰⁹

107. G.R. Clapp, The T.V.A.: An Approach to the Development of a Region (University of Chicago, 1955), p.6.

108. Ibid, p.9.

109. Ibid, p.12. For a complete breakdown of T.V.A.'s finances in the years 1938-42 see H. Finer, The T.V.A.: Lessons for International Application (Montreal, The International Labour Office, 1944), Appendix I.

As a body deeply involved in the generation and distribution of electricity T.V.A. is perhaps better compared in the Highland context with the North of Scotland Hydro-Electric Board rather than with H.I.D.B. The major difference however is that, whatever might have been intended, N.S.H.E.B. is more or less a purely electricity producing body and lacks the wide range of regional development activities of T.V.A.

Despite these differences the Tennessee Valley Authority has enough similarities ^{with} the other regional development bodies to show a family resemblance. Like them it is ^{an} autonomous body with its own controlling board, ^{it} separate from both the Central/Federal government and from the State or local governments; also, like the Cassa and the A.D.B., ^{it} is directly accountable to the political executive (i.e. the President in T.V.A.'s case) and does not come under the wing of any of the ordinary government departments. Unlike the Cassa, the Authority has escaped involvement with patronage politics but instead has had its agricultural programme 'captured' by local interests. ¹¹⁰ It deals with a distinctive regional problem, one aspect of which applies to a considerable extent to the other regions described: they all have an economy excessively dependent on a declining primary sector. (On the other hand the flood control and erosion problems are exceptional). In terms of population ¹¹¹ the Tennessee Valley is of broadly comparable size to the Atlantic provinces or Norway and is therefore much smaller than the Mezzogiorno and much bigger than the Highlands.

Though it has a wider range of responsibilities and a greater amount of autonomy than H.I.D.B., T.V.A. lacks some of the Board's powers. It cannot, for instance, start up its own businesses and more significantly, a fact which distinguishes it not only from H.I.D.B. but also from the

110. Which is the central theme of Philip Selznick's T.V.A. and the Grass Roots (New York, Harper Forchback, 1966).

111. About 3 million in 1933 (Finer, p.1.).

other regional bodies, it cannot give grants and loans to private businesses. In fact not until the creation of the Area Development Administration in 1961 did the U.S. Federal Government have the power to stimulate development in stagnating areas by giving direct grants and loans to private individuals or firms pursuing industrialisation.¹¹² The T.V.A.'s lack of powers in this respect, together with its specific responsibilities for power generations, flood control, river navigation etc. make it, of all three bodies mentioned here, the one that is least comparable to H.I.D.B.

To sum up the international comparisons that have been made with the Board we can perhaps say that three points stand out. One is relative size: the Highlands are much smaller in terms of both population and area than any of the other problem regions mentioned and consequently H.I.D.B. is smaller than the other regional bodies and has less money to spend. This inevitably means that it is taken less seriously by the Government. Secondly, though the Board is similar to the Norwegian Regional Development Fund in this respect, it differs from the other three organisations in being responsible to one of the regular central departments rather than reporting directly to the political executive. The result of this is greater departmental control of its activities. And thirdly H.I.D.B. has powers, such as those to start its own businesses or compulsorily acquire land for development purposes, that are not possessed by the other bodies.¹¹³ These powers were the most distinctive and initially controversial feature of the Board but their sparing use (or non-use in the case of those involving compulsion) has meant that it has been more like other regional development organisations than might seem to be the case from its statute.

112. International Information Centre for Local Credit, Government Measures for the Promotion of Regional Economic Development (The Hague, Martinus Nijhoff, 1964) p.157-9.

113. Except of course that T.V.A. has the power to acquire land compulsorily for its dams, reservoirs, power houses etc.

Chapter 5. The Work of the Highlands and Islands Development Board,
1965-70

The Board's Strategy

When the Board came to consider what its strategy was to be it was faced with a variety of different, and in practice incompatible points of view about what should be done with the Highlands. At one extreme were those who thought nothing should be done. This view had both a negative and a positive side. The negative side was that the Highlands were really a hopeless case for development, attempts at it were futile, and only wasted money which could be better spent in assisting the other parts of Scotland which had problems enough and contained far more people. What did it matter if the Highlands continued to depopulate anyway? The positive side was that the Highlands were a great natural wilderness which a densely populated, over-urbanised country like Britain really needed.¹ Any development could only adversely affect this wilderness: conservation was much better. This 'do nothing' view had few representatives within the Highlands but was to be found among certain economists (e.g. Buxton and MacKay who stressed ^{the} hopelessness of trying to develop the region),² was (according to Grieve and Robertson) influential within the Scottish Office where there were those who saw Government action chiefly as a means to keep the Highlanders relatively quiet, and is often found among Englishmen. Needless to say this was hardly a possible position for the Board to have taken (even if any of the members had wanted to - which they did not) as it was statutorily committed to pursuing development.

The other views on Highland Development accepted depopulation as

1. The view is mentioned (in order to reject it) in H.I.D.B. 1966, p.2.

2. D.I. MacKay & N.K. Buxton, "The North of Scotland Economy - A case for redevelopment?" in Scottish Journal of Political Economy, Vol.12 (1965).

the fundamental evil but split between those who saw land as the resource that required development above all and those who attributed much less importance to it. The "pro-land" group were in turn divided between radicals who wished to see the big landowners hit hard and their land acquired compulsorily as soon as they showed any signs of 'misusing' it and those who objected to anything smacking of nationalisation.³ Most of those who were primarily interested in land development also wished to preserve the 'Highland way of life' but again there was a range of views from those who idealised crofting or saw forestry as a threat to the 'traditional Highlands' to those who considered that many crofters were themselves some of the worst offenders when it came to misuse of land or were prepared to welcome forestry as a useful provider of employment. Those who gave land development or preservation of the 'Highland way of life' lower priority (because they reckoned that both were marginal to a genuine economic revival of the region) were probably more homogeneous in their views though there was some disagreement as to the relative importance of manufacturing industry and tourism.⁴

In ^{their} first report the Board claimed to recognise 'elements of truth' in all these points of view and thought that in an area as large as the Highlands all of them could find expression.⁵ An unexceptionable sentiment perhaps ^{action} But in transforming it into the Board had to jump one way or another: in fact they effectively took the position of the

3. The "land development" school of thought were well represented in the debates on the Highlands & Islands Development Bill, a number of Labour speakers taking a radical view with regard to land ownership and the Conservatives (not surprisingly) tending to oppose them. See H.C. Deb, Vol. 708, Cols. 1079-1204 and H.L. Deb, Vol. 267, Cols. 730-46, 750-3 & 756-834.

4. D. Simpson "Investment, Employment & Government Expenditure in the Highlands, 1951-60", Scottish Journal of Political Economy, Nov. 1963 and F. Gillanders, "The Economic Life of Gaelic Scotland Today" in D.S. Thomson & I. Grimble (eds.). The Future of the Highlands (Routledge & Kegan Paul, 1968) both deprecate land development but Simpson thinks tourism valuable whereas Gillanders does not.

5. 1st Report, 1966, p.3. (Henceforward H.I.D.B. reports will be identified only by date.

last view described. Accepting that depopulation had to be stopped and even reversed they concluded that this could only be done by bringing the level of economic opportunity in the Highlands up to the level of the rest of the country - and this essentially meant more jobs. Not just more in terms of absolute numbers, though in a region with as big an unemployment problem as the Highlands this was of primary importance, but also a wider range of jobs that would allow for the use of skills that at present had no outlet in the Highlands and, furthermore, jobs that permitted Highlanders to have a standard of living comparable with that of people in other areas of Britain.

From this followed the basic elements of their strategy: agriculture must remain an important part of the Highland economy but the trends within the industry were towards less employment because of more efficient methods; fishing in certain particular localities - especially the islands - could be very important; but the three great 'props' of the regional economy, those sectors that provided the best employment hopes, were forestry, tourism and manufacturing.⁶ Given that forestry remained the responsibility of the Forestry Commission, this amounted to a declaration that the Board's main efforts would be concentrated in tourism and manufacturing. Tourism was for many areas almost the only hope for an expansion in employment and the Board rejected the attitude, common enough in the Highlands, that it was in some way morally inferior to other occupations. Manufacturing was of central importance because it greatly widened the range of potential employment - it could utilize technical skills that might otherwise not be usable in the Highlands - and because it would provide balance to an economy unusually deficient in

6. Ibid, p. 3-4. Pages 1-5 of this first report describe the Board's basic approach.

a secondary sector. Industry was to be concentrated in small holding points dotted around the region and above all in three major growth points - the areas around Wick - Thurso, Fort William and the Inner Moray Firth of which the third was "unquestionably the most important".⁷ These three areas contained the most significant nuclei of industry in the crofting counties.

All in all it is probably fair to say that while not explicitly rejecting the 'Highland way of life' the Board committed itself to doing those things that they perceived would be most likely to revive the region's economy, irrespective of any effect they might have on traditional patterns of living.

Financial Assistance and Management Services

How was this 'strategy' worked out in practice by the first Board under Grieve? What did the Board actually do in its first five years? One of their first actions was to formulate the details of the grants and loans scheme that the 1965 Act permitted them to set up. It was in operation by December 1965 and has retained an important place in the Board's activities ever since.

The initial conditions attached to the grants and loans scheme were as follows: the Board was allowed to assist any activity that would contribute to the economic or social development of the Highlands and Islands provided it was located in the crofting counties. This meant that they could help 'economic' projects - i.e. commercial or industrial ventures - or 'non-economic' ones - i.e. those that had some social purpose - by either grant or loan. The maximum assistance the

7. Ibid, p.4. The identification of "growth points" was a fairly standard exercise in the planning of the time - see for instance "The Scottish Economy 1965-70", Cmd. 2864, p.56-61. For a description of its practical significance see the section on manufacturing later on in this chapter.

Board could give to any one project was £25,000; requests for between £25,000 and £50,000 or for assistance to projects wholly outside the Board's area had to be cleared by the Scottish Office and anything above that sum was referred to the Treasury and B.O.T. Applicants could choose whether to apply initially to H.I.D.B. or B.O.T.A.C. but could not receive assistance from both, neither could they apply to the Board within 12 months of being rejected by B.O.T.A.C. (The regulations do not make it clear if an applicant could turn to B.O.T.A.C. after rejection by H.I.D.B. but as the former body was reckoned to be stiffer in its assessments this was unlikely to be a fruitful approach). Board assistance was divided into 'normal' and 'special' categories. Normal assistance included a Building Grant at the standard Local Employment Act rate (25% or 35% depending on conditions in 1965, going up to 35% or 45% in 1970) or alternatively a Building Loan of up to 80% of approved cost; loans for plant and equipment; and working capital loans; the last two repayable over five years. Special assistance, which the Board called their 'unique inducement', was a grant of up to £5000 given to those projects that looked as if they would be economically successful but because of special costs needed something more than the normal assistance to start them off. All the 'economic' projects applying for Board assistance had to show that they would create employment or prevent unemployment. All interest charged on Board loans was the prevailing B.O.T.A.C. rate and, on average, Board assistance could not exceed 50% of the total cost of the projects (which did not mean that certain individual ventures could not be assisted to a considerably greater degree).⁸

These regulations have undergone minor revisions in the course of

8. All the details in this paragraph can be found either in H.I.D.B. 1966, p.11 and Appendix X or in the Memorandum submitted by H.I.D.B. to the Select Committee on Scottish Affairs, Session 1969-70, H.C.267-I, p.12.

the Board's life. In 1969 the total assistance it was allowed to give to any one project became £50,000 (and £100,000 with Scottish Office clearance) which in turn went up to £75,000 (and £150,000) in 1972. The period of repayment of loans some rose from 5 to 10 years. The maximum 'Special Grant' went up to £10,000 as early as December 1966 and in 1969 was made £10,000 or 20% of the total cost of the project, whichever was greater; by 1970 it had become £15,000 or 20%.⁹ Also in 1970 Removal Grants were introduced for firms moving into the region from non-Development Areas and loan arrangements became more flexible.¹⁰

The financial inducements offered by the Board to firms coming into (or expanding in) the Highlands and Islands are much the same as those offered by B.O.T./D.T.I. in other Development areas, the only addition being the Special Grant. The variations in the region's relative attractiveness to incoming firms were discussed in Chapter 4, but it should be noted here that almost 80% of the Board's financial assistance in the years 1965-72 went to existing Highland businesses.¹¹

Grants and loans are easily the largest item of the Board's expenditure, seldom under 50% and usually over 60% of the total.¹² As can be seen from Table VII, approvals of financial assistance have increased steadily year by year with the exception of 1969 when there was a drop. The Government were, at this time, worried about the increasing cost of aid to industry and the Secretary of State warned the Board not to expect

9. H.C.267-I, (1969-70), p.9, 11, 16 & 17; Glasgow Herald 11/1/72 and H.I.D.B. Constitution, Functions & Administration of the Highlands & Islands Development Board (Unpublished, Feb.1972), Appendix II (Henceforward called the "Administration of H.I.D.B.").

10. H.I.D.B., 1970, p.16.

11. H.I.D.B., Seventh Report, 1972, p.21. Throughout this chapter I will attempt to confine myself to the 1965-70 period but occasionally, as here, the figures are only available for a slightly longer period.

12. "Administration of H.I.D.B.", Appendix II.

Table VII: H.I.D.B. Financial Assistance 1966 - 70 by Sector

	Grants and Loans approved (£,000)					Total
	1966	1967	1968	1969	1970	
Manufacturing	194	385	684	336	741	2404
Tourism	292	469	851	427	282	2186
Fisheries*	} 349	173	326	244	539	1602
Agriculture		117	105	62	143	404
Other		291	307	} 34	138	850
Non-economic	3	20	74		50	163
All sectors	838	1455	2347	1103	1893	7609

*Assistance to fish processing and boat building included under manufacturing. Of the undivided figure for fisheries, agriculture etc. in 1966 the largest amount went to fisheries.

Source: H.I.D.B. Reports 1966-70.

(Note that the horizontal rows do not quite add up due to discrepancies in the Board's figures)

an automatic increase in income. The Board publicly announced that they might have to be tougher about grants and loans with the result that applications dropped and money spent on financial assistance was cut back rather more than had been intended. Since then the curve has returned to its upward trend. Table VII also illustrates that the manufacturing sector has been the chief beneficiary of financial assistance taken as a whole, followed by tourism and then by fisheries (i.e. Fishing boats and fish farms. Fish processing and boatyards are included and manufacturing.) These are the three big recipients of aid, nothing else can really compare. If grants alone are considered it is tourism that comes off best. In terms of Counties (Table VIII) by far and away the largest amount of assistance per head over the years 1965-70 went to Shetland. This was chiefly a result of the fact that Shetlanders were ready for the Board and poured in applications. The other counties received quite similar amounts of assistance per head except for Caithness which lagged a bit.

Total Board assistance to approved projects in the five years ending 31st December 1970 was about £7.6m., in addition to which a little over £7m. was invested by private sources; this combined investment productivity an estimated 5,000 jobs, some 2,300 of which were in manufacturing.¹³ Naturally some of the projects helped by the Board failed and were unable to pay back their loans; over the same five year period about 6 $\frac{1}{2}$ % of the Board's total loan investment was lost.¹⁴ Inevitably, as a body distributing largesse, the Board came under fire from two sides: for assisting the wrong people and for not assisting

13. H.I.D.B., 1970, p.16 and Appendix IX.

14. Ibid, p.17.

Table VIII: Financial Assistance per head by County (1965-1970)

	Population (1971 Census)	Assistance Approved 1965 - 70*	Assistance per head
Argyll	59394	£1,675,725	£28.2
Caithness	27915	£ 390,679	£14.0
Inverness	89409	£2,324,389	£26.0
Orkney	17254	£ 361,015	£20.9
Ross & Cromarty	58770	£1,501,261	£25.6
Shetland	17567	£ 962,271	£54.8
Sutherland	13140	£ 394,207	£30.0
Total	283,449	£ 7,609,547	£26.9

*Source: H.I.D.B., 1970, Appendix IX.

(For a similar but more extensive calculation see Carter (1973), Table I)

the right people. We will return to this again when considering criticisms of the Board (in chapter 7) but the main drift of the first argument was that all manner of dubious characters were getting public money. On the other hand in order to avoid 'fruitless controversy' the Board followed the B.O.T. line of not giving reasons for their refusals of applications¹⁵ - which probably had the desired affect but had the concomitant disadvantage of leaving a number of aggrieved people certain they had been unfairly discriminated against.

The large majority of enterprises assisted by the Board were small and suffered from the usual difficulties of small firms. The Board therefore set up a Management Services division in 1966 to provide an 'after care' service for the enterprises it had assisted so that they could receive expert help and advice in accountancy, marketing, hotel management and the like. These management services were not in fact confined to firms assisted by the Board - though in practice most of the work concerned such firms - but were available to any small business with problems in the Highlands.

As we have seen, the largest amounts of Board assistance went to manufacturing, tourism and fishing; smaller sums were spent on projects involving land use, mineral resources and what is vaguely called 'social development'. These six sectors included the great bulk of the Board's executive (as opposed to purely advisory) activity and each of them will be considered in turn.

Manufacturing Industry

"We appreciate", says the first Annual Report, "that the Board will be judged particularly by its successes in the field of industrial promotion"¹⁶ H.I.D.B. itself accepted the primary importance of encouraging

15. H.I.D.B., 1966, p.12.

16. Ibid, p.14.

manufacturing industry and, as has been seen, gave more assistance to this sector than any other. It was hardly the first body helping or promoting Highland industry.¹⁷ The Highland Fund had been giving small loans for a decade and continued to function. The Scottish Council (Development and Industry) had been prominent in bringing Wiggins Teape to Lochaber and had a Highland Office at Inverness. There was little cooperation between them and the Board and until the advent of North Sea Oil their role was small. The other body involved in industrial promotion was the North of Scotland Hydro-Electric Board who had the duty to bring in industry tacked onto their main function of generating and distributing electricity. In order to help cooperation between the two Boards on promotional matters it was agreed that J.C.N. Baillie, N.S.H.E.B.'s chief Commercial officer should also be employed by H.I.D.B. The arrangement did not work completely and there still seems to have been a certain amount of jealousy between the two organisations until it was agreed by Tom Fraser, from 1967 N.S.H.E.B. Chairman and part-time member of H.I.D.B., that the Hydro-Board should limit itself to attracting industry into that part of its area outwith the Crofting Counties.

The Board's strategy we saw was to try and concentrate industry in three major growth points - the Inner Moray Firth, Wick-Thurso and Fort William and to have additionally a number of 'holding points' in the remoter parts and the islands. Moray Firth Development is dealt with elsewhere (chapter 6) and the other two growth points will be discussed below. The Board were especially anxious to attract modern 'science-based' industries to the Highlands and in this they had a limited amount of success but it is particularly unfortunate that two of these - Marchvale Music Ltd. which manufactured electronic organs and Antech Ltd. producing

17. See chapter 2.

resin-encapsulating machines, both of which moved from the Midlands to Inverness - as well as the much heralded spectacle frame factory of Afocal Optical that was established on remote Barra - were among the (relatively few) Board assisted firms to fail. ¹⁸

The Board's promotional activities gradually built up over the period considered here, culminating in the first phase of a major campaign that started in October 1970 and was aimed mainly at the Midlands and South of England. It included television advertising and the film "The Top Country". As well as financial assistance and promotion the Board undertook a number of other things to attract industry. Their experience showed them that two of the features businessmen looked for first ^{were} / a good supply of trained or trainable labour and suitable cheap sites, so they attempted to meet both these demands. Clearly the Highlands with its sparse population cannot be said to have a plentiful supply of labour with a wide range of skills and in order to overcome this difficulty the Board started 'Project Counterdrift' in November 1966. They advertised in the press for those willing to return ^{to} / or come and work in the Highlands and compiled a register of their names, addresses and skills. This register was then offered to employers who might otherwise find a lack of potential employees with the requisite skills or experience. By 1970 the total number of registrants was 7,747. ¹⁹ As by the end of the same year the Board could only identify 70 people from this list who had successfully secured a job, ²⁰ it may be doubted that the scheme had much practical effect though it was probably a

18. Scotsman, 6/3/70 & 4/11/70. According to the Chairman of Marchvale the firm could have become profitable with a little more assistance and though the Board were prepared to give it, the "Government" would not allow them to.

19. H.I.D.B., 1970, p.25.

20. Ibid.

useful publicity exercise even if it did induce the Board's unfriendlier critics such as Lord Lovat to pour scorn upon its 'crackpot' ways. ²¹

More orthodox methods of overcoming the labour problem were also used: in the industrial training field the Board was represented on the Joint Committee of Industrial Training Boards for the Highlands and Islands to which it gave financial help to purchase instructional equipment; it joined with particular training boards to provide schemes of training in which small businesses, not normally eligible for such schemes, were able to participate, and in 1970 it ran its own business management seminar. ²²

The other businessman's requirement - suitable sites - received similar Board attention. As at the beginning of its life the Board owned little land of its own, its job consisted chiefly in persuading the Local Authorities to provide zoned and, better still, serviced sites for potential developers. Until 1969 the lack of such sites made the promotional work of the Board difficult but by that year enough had been found for the Board to start compiling a register. Particularly notable were the industrial estates at Inverness Airport (Dalcross) and Wick Airport. By the summer of 1970 the Board had received permission from the Secretary of State to buy sites at Inverness, at Muir of Ord, and in Shetland and were seeking the authority to acquire a number of others. Even more attractive to potential developers than serviced sites are advance or 'bespoke' factories. The Board's first 'bespoke' factory was completed in October 1970 at the Dalcross Airport Industrial Estate and work was going ahead on their first advance factory at Thurso. By the end of the period they were negotiating with the Scottish Office to

21. See People's Journal, 25/5/68.

22. H.I.D.B. 1970, p.27.

be allowed to build a number of other factories of both types.

Finally the Board has attempted to help Highland industry in a number of other ways such as in initiating detailed studies into particular industries, and helping with marketing. In fact during our period neither of these approaches was well developed. Only one detailed study had been completed - on the Shetland Knitwear industry.²³ The report arising from this investigation, which, among other things, urged more rationalisation and cooperation between producers, was strongly criticised in Shetland for not taking enough account of local conditions particularly the inveterate individualism of the Shetlander. By the end of 1970 another detailed study, this time of Harris Tweed weaving, was being drawn up. In the marketing field the Board prepared a 'Buyers Guide' in 1970 and had decided on a symbol to denote goods produced in the Highlands and Islands - but neither of these had been launched by the end of the year.

The main concentrations of industrial development were supposed to be at the three growth points. There is no doubt that the Inner Moray Firth got its fair share of projects - apart from the big developments discussed in chapter 6 a lot of smaller businesses also came there, particularly to the Inverness area. Neither Fort William or Wick-Thurso did so well however. When the Board started work, in late 1965, the Fort William district with its brand new pulp and paper mill as well as older enterprises like the aluminium smelter had one of the greatest concentrations of industry in the Highlands. Unfortunately it was beginning to suffer from 'second generation' problems such as a shortage of housing, a lack of sites for new industry and few employment opportunities for women or recent school-leavers

23. H.I.D.B., Special Report No. 4, "Shetland Wollen Industry - Planning for Progress".

coming from the families who moved into the area.²⁴ Grieve was fond of saying that the problems of Fort William were the problems "of life" whereas throughout most of the Highlands you had the problems of death;²⁵ but, for all that, one of the major components of the problem - unemployment - was the same in both cases. The Board was hampered in doing much for the Fort William area by the lack of zoned sites and by a certain lack of co-operation between the two local authorities concerned (Inverness County Council and Fort William Town Council) in which the Board did not want to interfere. In fact though pious sentiments were regularly uttered, except for one clothing factory, the only major thing that was done for the district was to get the County Council to zone more sites and to begin negotiations with the Ministry of Technology (at that time responsible for these things) for the provision of an advance factory.

The Caithness, or more precisely Wick-Thurso, growth point provided the Board with one of its first challenges. In early 1966 Frank Cousins, as Minister of Technology, was having to decide whether to site the Atomic Energy Authority's new Prototype Fast Reactor (PFR) at Dounreay or at Winfrith in Dorset. As the existence of the atomic energy establishment was one of the important reasons for declaring Wick-Thurso a growth point and as it provided one of the few examples in the Highlands of the modern scientific activity dear to the Board's heart, its run down would have been a serious blow. Amid increasing pessimism in Scotland, Board representatives led by Grieve went to London in February and put their case to Cousins. Soon afterwards the decision was made in favour of Dounreay and in making his announcement to the House of Commons Cousins went out of his way to stress

24. H.I.D.B., 1967, p.18.

25. Observer, 5/6/66, H.I.D.B., 1968, p.36.

the part the Board had played, saying that they had 'presented one of the best cases I have ever heard about the need for this kind of approach to the question of the Northern part of Scotland'. ²⁶

The threat of a run-down of Dounreay underlined just how vulnerable Caithness was to such an occurrence and indicated a pressing need for diversification of employment. To look into this the Board set up, in August 1967, a working party consisting of representations from U.K.A.E.A., the Ministry of Technology, the Scottish Office, the County Council and H.I.D.B. itself. Their report, a synopsis of which was published in 1969 ²⁷ made few very startling recommendations: an urgent need was for more manufacturing firms and in order to attract them sites should be zoned and advance factories built; the possibilities of a magnesia plant using Sutherland dolomite and hot sea water and electricity from Dounreay should be investigated; that old, old chestnut, the utilisation of peat - this time for the extraction of wax - was brought up and also recommended for investigation; the fishing industry should be strengthened perhaps by the development of a modern harbour at Scrabster; and finally the John O'Groats area should be used as a tourist magnet. All of these suggestions were followed up - we have seen that an industrial estate was created at Wick Airport and an advance factory built at Thurso - but it was quickly apparent after preliminary studies that the use of peat would not be a commercial proposition. ²⁸ In spite of this activity Caithness has not done particularly well, at least over the period 1965-70, from H.I.D.B. attentions. ²⁹

26. H.C. Deb, Vol.724, col. 410.

27. H.I.D.B., Special Report No. 1, "Wick-Thurso Working Party".

28. H.I.D.B., 1969, p.32.

29. A point made by Ian Carter, "Six Years on: an evaluative study of the Highlands and Islands Development Board". Aberdeen University Review, XLV (Spring 1973), p.64.

We saw in Table VIII that Caithness came off worst of the seven counties in terms of assistance per head, and although if we look at new jobs provided (again proportional to population) it does rather better ³⁰ it still lags behind Shetland, Inverness and Argyll and only does better than Orkney and Sutherland. For neither Fort William or Caithness does the designation 'growth point' seem to have brought special advantages by 1970.

One other activity should be mentioned under the heading of manufacturing: the crafts. A Board survey completed in 1969 revealed that the value of the craft industry in the Highlands and Islands expressed in terms of total turnover was £1m. and that the potential existed to double this figure. ³¹ The Board began looking into the development of the crafts, gave financial assistance to craft businesses and helped them with marketing. By the end of 1970 they had submitted a scheme to S.D.D. for the provision of craft/tourism units including workshop, shop and tourist accomodation and, with the Scottish Joint Crafts Committee, were offering a scholarship for the training of a suitable art graduate in craft work.

Tourism

Whatever happened to other sectors of the Highland economy even the most pessimistic commentators had grudgingly to admit that the tourist industry was likely to grow (though there was not a lack of people to claim that given the shortness of the season this growth would do little to keep Highland communities viable). ³² And all the indicators ³³ suggest that over the years 1965-70, tourism did indeed grow. Of course

30. Ibid, Table 1, p.64.

31. H.I.D.B., 1969, p.24.

32. e.g. Gillanders, p.114.

33. Such as those used by the Board in its reports, e.g. number of cars carried on Kylesku Ferry, number of visitors to specified 'Tourist attractions', etc.

all of this growth cannot be attributed to the work of the Board, there were other developments, such as those at Aviemore, which were quite independent of them, and (besides) increased tourism is probably related to general social changes such as greater affluence or leisure as much as anything else. But given the impossibility of properly untangling the various causal factors it would be uncharitable not to allot an important place to the Board's efforts.

To begin with the Board had to combat the belief, common enough in the Highlands and even held by one or two of the Board's own members, that catering for tourism was an inferior occupation: ³⁴ serving behind a bar is somehow lacking ⁱⁿ the solid moral worth of haddock gutting. Grieve opposed this view, but even if he had not the logic of the situation would probably have demanded that the Board devote a fair amount of their attention to tourism. They worked out a tourist development plan with four objectives: (i) a lengthening of the season; (ii) an increase in the amount of accommodation and of the tourist's knowledge of where it could be obtained; (iii) an improvement in hotel and catering standards; and (iv) an extension of tourist facilities and better means of publicising them. ³⁵ Among the chief instruments for achieving these aims were (as with manufacturing) the grants and loans scheme, promotion / publicity campaigns and research. The grants and loans went mainly to ^{wards} increasing accommodation of which there was an acute shortage in some areas, but also to ^{wards} developing recreational facilities such as sand yachting, sea angling and of course skiing - of which more below. Perhaps the most notable of such facilities aided by the Board was the 'Landmark' centre at Carrbridge which included a nature trail and an 'audio-visual exhibition area'. It was opened in 1970 and

34. The view is mentioned, in order to deprecate it, in H.I.D.B. 1966, p.24.

35. H.I.D.B. 1967, p.19-20.

won a major award from the British Tourist Authority. The Board's first big publicity campaign was in 1968 under the banner of 'Escape to the Scottish Highlands and Islands'; it was followed up by an even bigger 1969 campaign which especially stressed the off-peak months of April, May, September and October using the inducement of a "Highland Holiday Ticket" - a special scheme offering discounts on a wide range of services and facilities in the off-peak months. The whole scheme was repeated and extended in 1970. In the same year the Board in conjunction with the area tourist organisations (see below) arranged two special events - a 'Festival of the Countryside' in Wester Ross during May and a 'Festival of the Sea' in Orkney in September.

Special attention was paid to the development of winter sports in the Cairngorms. In April 1966 the Cairngorm Winter Sports Development Board, who had pioneered the development of the area as a ski centre from 1957, formed a new company, Cairngorm Sports Development Ltd., to take over their assets. The Board assisted the new company by taking up £25,000 of debentures (it was at this time they discovered that they did not have the power to take equity), Grieve becoming one of its directors. The following year another £25,000 was given to the company, this time as grants and loans, and by 1968 some £73,000 of aid had been given, £38,400 in the form of debentures.³⁶ The Board also financed a road to a new ski slope, ran a marketing scheme called 'Spey Valley/Ski Valley' and organised Cairngorm Winter Sports Festivals. In 1970 the Board actually acquired the upper slopes of Cairngorm, which includes the skiing area, previously in the hands of the Forestry Commission. Towards the end of the period the Board also began to look into the possibility of developing skiing facilities on Ben Wyvis following a request by a local voluntary ski development association. On the other hand they could do nothing for the possibly more promising slopes above Braemar as these were not

36. H.I.D.B. 1968, p.45 and 1970 Appendix III.

within the Crofting Counties.

More than most of the other industries which it assisted the Board was involved in the detailed running of tourism: it had a senior staff member specifically employed to give advice on hotel management; it held hotel management courses to increase the level of professional management; and it was responsible for creating thirteen Area Tourist Organisations to cover the seven counties. The main function of these area organisations was to provide information and booking services. Voluntary information centres had existed before and were sometimes successful but they tended to be run on a hand-to-mouth basis and to depend on the efforts of one or two individuals. The Board's plan, worked out in 1968 and put into practice in the following year, was for a comprehensive network of area organisations covering the whole region and each employing a full-time tourist officer with a paid staff. Each area also had its own elected executive council representing the local tourist industry plus appointees from H.I.D.B., the Scottish Tourist Board and the local authorities to help ensure "that overall regional policy is kept in mind".³⁷ The Board met the basic cost of running each area organisation while the industry plus the local authorities paid for the operation of the satellite information offices and other work of the organisation (such as the provision of special entertainments for instance). The thirteen area organisations created in 1969 - which operated a total of 46 information centres in that season - were joined by a fourteenth in 1970 when the Easter Ross and Inverness area was divided into two.

Promotional campaigns, financial assistance to those wishing to increase accommodation or improve recreational facilities and the provision of information services were all necessary but uncontroversial matters (in

37. H.I.D.B. 1968, p.43.

as much as any help to tourism was uncontroversial). Far more daring - and far more expensive - was the Board's first project conducted at their own hand, the 'Hotel/Motel Scheme'. This was simply to build five hotels (or motels) at the total cost of £1m., on the islands or west mainland in places where private developers were unwilling to risk going. The scheme was submitted as a formal proposal to the Secretary of State in mid-1966 (the second such proposal put forward by the Board) ³⁸ and accepted by the end of the year in principle. ³⁹ Quite apart from anything else it must be accounted a notable success for the Board that they managed to get £1m. from the Treasury for building hotels; presumably as the Government were at this time still anxious to show they were in earnest about Highland development, particularly after the recent introduction of S.E.T. (see below). After intensive market research it was decided to site the first hotel at Craignure in Mull and building started in 1969. The hotel, leased by the Board on a profit-sharing basis to Scottish Highland Hotels Ltd., opened for the 1971 season by which time plans were going forward for the second hotel to be built on Barra. Unfortunately rising costs made it obvious that to build five hotels would cost rather more than the £1m. originally suggested. The hotel scheme had its detractors of course. Many people thought that large hotels in out of the way places would simply be 'white elephants', that if the Board had £1m. to throw around it ought to have given it to a lot of small projects, ⁴⁰ and that tourism wasn't the sort of thing that they should be helping anyway. In fairness to the Board it must be said that from the evidence of the first two seasons (1971 and '72) at the Mull hotel the 'white elephant' argument seems to have

38. See Table IX for a full list of formal proposals.

39. H.I.D.B., 1966, Appendix VI.

40. These points were made for instance in a rather carping article by J. Kerr in the Glasgow Herald, 1/3/67.

Table IX: Proposals submitted by H.I.D.B. to the Secretary of State,
1965-70

<u>Date of Submission</u>	<u>Description of Proposals</u>	<u>Results</u>
7th Feb. 1966	Fisheries Development Scheme To add 25 boats to the Highlands and Islands fishing fleet and to train crews	Approved 9th March 1966
11th Aug. 1966	Hotel/Motel Development To provide hotels/motels in the Islands and remoter mainland areas	Approved (in principle) 29th November 1966
4th Nov. 1966	Seaman's Strike Measures to mitigate the social and economic effects of the strike on the Highlands and (particularly) Islands	Approved 30th November 1966
28th Dec. 1966	Moray Firth Development To initiate the necessary studies and consultations in preparation for the consideration and decisions that would arise if any specific project or prospects should materialise	Approved early in 1967
6th June 1967	Power Leasing for Special Industrial Development To provide competitively priced power for special industrial development in the Moray Firth area	Board told that "major issues of National policy" were involved & that that Government were considering the whole question of electricity for power intensive industries
11th July 1967	Achnacon Caravan Site To establish and manage a caravan and camp site at Achnacon in Glen-coe, planned to a high standard of amenity, landscaping & management control	Proposal withdrawn in 1968 (because of high cost)

(Table IX continued)

<u>Date of Submission</u>	<u>Description of Proposal</u>	<u>Result</u>
24th Aug. 1967	Extension of the Board's Fishery Development Scheme To provide an additional 10 fishing boats (25 in the original scheme) within the next five years mainly in the Orkney Isles/Pentland Firth area	Approved in November 1967
12th June 1968	To accelerate approvals under the Board's Fisheries Development scheme	Proposal withdrawn in 1969
25th Feb. 1969	To modify the Fisheries Development Scheme to permit the Board to assist applicants in the Orkney/Pentland Firth area to acquire new fishing boats of under 50ft. overall	In March 1969 an amendment allowing the Board to assist the purchase of boats from minimum length of 40ft. was approved
23rd April 1969	To reclaim and develop the Valley Strand, North Uist, for the commercial growing of bulbs	Proposal withdrawn in 1971
2nd April 1970	To develop the resource potential of the Strath of Kildonan	Reply on 16th Nov. Secretary of State supported the main conclusions and hoped it would be possible to implement many of the proposals
30th Sept. 1970	To develop further the fishing industry in the Highlands and Islands	Reply in April 1971 deferring a decision on the proposal. Approval to further develop fishing given in Feb. 1973

little validity.⁴¹

Using for the first time their power to take equity, newly acquired in 1968, the Board became involved in the possession of another hotel, this time in Lerwick. In this instance the Board took the initiative in bringing together local people, the Scottish Northern Investment Trust and the North of Scotland Shipping Company who together with H.I.D.B. itself became the shareholders of Shetland Hotels Ltd. (The Board's contribution was about 13% of the company's ordinary shares).⁴² In 1970 the same company also leased a hotel that the Board had been responsible for starting on Unst.

The hotel scheme was not the only controversial matter concerning tourism that involved the Board: one of their earliest actions was to commission a plan of a modern camping and caravan site at Achnacon at the northern entrance to Glencoe. On amenity grounds such a site was unexceptionable enough, indeed one of the chief reasons for it was to remove "the eyesore that was being made of one of Scotland's most dramatic and best known glens by indiscriminate camping and caravanning."⁴³ This was not enough for Clan Donald's representatives however who worked themselves into a rage over the possibility of such a violation of the scene of the massacre,⁴⁴ clearly illustrating one of the points that most impressed Grieve during his period as Board - the passion that Highland affairs arouse. Despite this the Board went as far as to make a formal proposal to the Secretary of State on the subject in 1967 but subsequent discussion with the S.D.D. led to the plan being dropped because of the very high costs.⁴⁵ Secondly, and rather more seriously, was the friction between the Scottish Tourist Board and H.I.D.B. The Tourist Board,

41. H.I.D.B., 1972, p.39.

42. H.I.D.B., 1969, Appendix III.

43. H.I.D.B., 1966, p.25.

44. Scottish Daily Express, 17/10/66.

45. H.I.D.B., 1967, p.21 and Appendix IX.

an institution of many years standing, was at the time of the Highland Board's creation still a non-statutory body which though it received a small sum from the government was plagued with lack of money. Between them and the Board was a straightforward clash of perspective: they saw tourism in Scotland as something that needed developing as a whole and, being the body to do it, they hoped for H.I.D.B. assistance in financing the Highland side of things. H.I.D.B. themselves on the other hand were interested in tourism only as an important means to another end - Highland development - and were determined to keep control of the tourist side of things in their region.⁴⁶ The result was a persistent friction between the two bodies which also involved those parts of the Scottish Office that were concerned with tourism. The creation, in 1969, of the statutory Scottish Tourist Board, which was better off financially, led to the working out of a modus vivendi between the two boards - including for instance the setting up of a joint office in Inverness to deal with applications for assistance for hotel development - and since then the problem seems to have diminished. Even so the Highland Board have effectively retained responsibility for tourist developments in the seven Crofting Counties and as late as 1971 a Times report claimed that relations between the two bodies were 'abrasive' with H.I.D.B. stealing the thunder from the S.T.B.'s promotional events.⁴⁷ Incidentally, these difficulties illustrate that when two bodies are resolutely facing different directions cross cutting membership of their boards is not necessarily a solution: John Robertson became a member of the S.T.B. in September 1966 and after his resignation his place was taken by Sir James MacKay who later became a part-time member of the statutory Tourist Board.

46. See Scotsman, 11/2/69; the correctness of this article was borne out by my own interviews.

47. ^{The} Times, 13/3/72.

Finally there was the controversy over Selective Employment Tax. Introduced early in 1966 soon after the creation of the Board this tax hit the Highlands particularly hard because of the small amount of manufacturing industry in the region and the importance of the service sector: one unofficial estimate was that S.E.T. removed £2 $\frac{1}{2}$ m. from the Highlands.⁴⁸ Criticism of S.E.T. was not of course directed against the Board but they became involved when the Deputy Chairman, John Rollo, publicly called the new tax a 'body blow' to the Highlands.⁴⁹ It was a personal opinion but tended to get reported as the official H.I.D.B. view - which led to a ^{furious} row within the Board and helped convince Rollo that the Board was the creature of the Labour Government. After persistent pressure by the Board S.E.T. was in fact removed from Highland hotels in 1968.

50

Fishing

Undoubtedly the most popular - and also the best analysed⁵¹ - of the Board's activities has been the help it has given to the Highland fishing industry - not just the actual catching of fish but also associated developments like processing and boat-building (both of which are included under 'manufacturing' for statistical purposes, but are always described along with fishing proper in Board literature). Its popularity stems from the fact that while it is clearly a sound economic development - in the face of the pessimism of the white paper, The Scottish Economy, 1965-70 which declared that "it would be quite wrong to imagine that fishing can be looked to as a significantly expanding sector of the Highland economy"⁵² - it also utilises an indigenous Highland resource and has helped those remote and island communities particularly dear to the hearts

48. Glasgow Herald, 1/3/67.

49. Inverness Courier, 6/5/66.

50. Though we are primarily dealing with the years 1965-70 many of the figures in this sector also include 1971 as these are the statistics given in the analysis of the Board's assistance to the fishing industry, "In Great Waters".

51. The analysis being H.I.D.B., Special Report No.7, "In Great Waters" (by William Russell).

52. Cmd. 2864, Appendix A, p.143.

of partisans of the 'Highland way of life' and others inclined to look askance at tourism or big developments round the Moray Firth. The Board were well aware that the best way to win acceptability for themselves was to do something for the true crofting areas quickly and so, excepting only the organisation of the grants and loans scheme, fisheries development in the Western Isles was their first major undertaking.

In a sense this development was not breaking any new ground but merely following the lead given by the earlier (1959-63) Outer Isles Fisheries Training Scheme. This earlier scheme (mentioned in chapter 2) which had involved the statutory fishing authorities, D.A.F.S., the Highland Fund and the Macauley Trust, had been set up in response to the very depressed level of the formerly important Western Isles fishing fleet and the high unemployment levels of the area. It consisted of the fishing authorities providing their normal assistance with the Highland Fund stepping in to loan the 15% qualifying deposit statutorily required⁵³ and to this financial help was added training. In all twelve boats were provided, eight going to the Stornoway district, two to Barra and one each to Scalpay and Eriskay. The Board considered this scheme had been successful enough to bear repeating and so on the 7th February 1966 submitted a formal proposal to the Secretary of State (their first) that they be permitted to go ahead with a Fisheries Development Scheme (F.D.S.); the proposal was accepted in March of the same year.

The original F.D.S. was for 25 new boats in the 50 to 80 foot range to be added to the Highland fleet mainly, though not entirely, in the Outer Isles. Successful applicants, who need have no previous experience in the fishing industry, received both grant and loan for a new boat, the grant being provided by the fishing authorities (who were associated with the

53. The Highland Fund, 1971 Annual Report, p.9; see also p.8 of 'In Great Waters'.

Board in selecting applicants) and the loan by H.I.D.B.⁵⁴ (hence the unusually low proportion of grants to loans in the Board's assistance to fishing). If necessary two sorts of training were provided: while waiting for the delivery of their boats successful applicants were trained as separate individuals on board existing local boats having spare berths; then after their own boat came a Board employed training skipper was placed on the vessel together with owner and crew for as long as was necessary. By 1968 the Board were employing four training skippers and since then an additional two have been used from time to time.⁵⁵

Once again inter-organisational conflicts played their part. The fishing authorities - particularly the W.F.A. - had little faith in the capacity of Highlanders as fishermen and were upset at the thought that the F.D.S. would oblige them to use up some of their limited finance for grants to what they considered to be dubious propositions. Feelings were strong for a time but the fishing authorities were induced to cooperate and found that their worst fears did not materialise. In fact the Board were sufficiently impressed with the success of the scheme to propose its extension from 25 to 35 boats in 1967, the extra 10 boats to go mainly to the Orkney/Pentland Firth area.⁵⁶ This proposal was also accepted by the Secretary of State. Applications from Orkney and Caithness were much less brisk than they had been from the Western Isles and it appeared that Orcadians were unwilling to risk starting their fishing careers in such large boats. The Board therefore sought (and got) a change in the regulations covering the F.D.S. to allow them to assist the purchase of boats down to a minimum length of 40ft.⁵⁷ The whole five year scheme

54. 'In Great Waters', p.7. The fishing authorities are only permitted to give financial assistance for boats or tackle provided the fisherman himself makes a contribution. Many Highlanders could not afford this, hence the need for H.I.D.B. loans.

55. H.I.D.B. 1968, p.50 and 'In Great Waters', p.55.

56. H.I.D.B. 1967, Appendix IX.

57. H.I.D.B. 1969, Appendix V.

came to an end at the beginning of 1971 and because of its success the Board made proposals in 1970 for its extension. In his reply the Secretary of State said that because of uncertainties arising out of E.E.C. negotiations and the Cameron report on Inshore Fisheries a decision on the proposals should be deferred. The Board decided to take stock of the position and commissioned a report by William Russell, formerly of D.A.F.S., on the F.D.S.^{and} their other assistance to fishing (see below).⁵⁸ By 1971 some 38 applications covered by the F.D.S. had been approved altogether, exactly half of them going from the Outer Hebrides with the next largest group (six) in Orkney. In all some 30 boats were operational.⁵⁹ Though quite a small number compared with, say, the concentration of 600 boats between Aberdeen and Lossiemouth,⁶⁰ in the Highland context this was a substantial increase in new boats of medium size.

The Fisheries Development Scheme was not the only form of assistance given by the Board to the purchase of fishing boats; it was complemented by two other schemes covering (i) second hand boats and (ii) 'dual-purpose' boats. Assistance for the purchase of second hand boats was designed to cover the needs of experienced fishermen who for financial reasons did not want to buy a new boat. The fishing authorities did not touch this sector of possible development and it seemed to the Board that it would be a useful way of adding to the Highland fleet (or preventing its depletion) relatively cheaply. Only loans were made available in this instance and as it was confined to experienced fisherman no training was required. Assistance was approved in a total of 122 cases by 1971 and these were spread throughout the Highlands, large numbers going to areas like Shetland and the Mallaig - Campbeltown stretch of coast which had not been greatly involved in the F.D.S.⁶¹

58. H.I.D.B. 1971, p.44. The report is of course 'In Great Waters'.

59. 'In Great Waters', p.9.

60. H.I.D.B. 1968, p.55.

61. 'In Great Waters' p.9.

The third type of boat whose purchase H.I.D.B. assisted were the so called 'dual-purpose' boats, i.e. small boats (under 40ft.) which could be used for shell-fishing and sea-angling or even pleasure cruising, ferry work and the like. Not being intended for full time fishing such boats, like the second hand ones, were not eligible for assistance from the fishing authorities. Because of the boom in shell-fish landings these boats did very well; in fact shell-fishing became one of the important growth industries in the Highlands during the late sixties with the Board assisting not just the boats but also lobster storage ponds and the marketing of the products. By 1971 assistance had been approved for 75 boats again spread fairly evenly throughout the region.⁶²

Taking all three types of boats together we find that by 1971 applications approved totalled 235, the number of boats actually operational was 172 and the direct employment provided calculated at 850 jobs. To achieve this the Board had given £204,538 in grants and £1,962,171 in loans on top of which the contributions of the fishing authorities to F.D.S. was £507,546 in grants.⁶³ It is illustrative of the success of the policy that 28% of those who received loans were ahead of schedule with repayments, whereas only 17% were behind.⁶⁴ The number of fishing boats between 30 and 80ft. based in the Highlands and Islands showed an increase of 140% between 1966 and 1971 as against a slight overall decrease elsewhere in Scotland; from 1964-70 employment in fishing increased by 7% (counting Crofter-fisherman, who declined in numbers, as $\frac{1}{3}$ full-time).⁶⁵ Altogether this represents a significant revival of Highland fishing.

62. Ibid.

63. Ibid.

64. Ibid, p.56.

65. Ibid, p.15.

"The Board recognises that for every man fishing at sea, processing can provide two jobs ashore".⁶⁶ So the Board's first report boldly announced. In fact they have not as yet managed to do quite this well. The calculation of the employment multiplier that accompanied 'In Great Waters' showed that for the region as whole "the creation of one job on a fishing boat will generate a further one to one-and-a half jobs on shore".⁶⁷ These blanket figures obscure regional differences however: on Shetland where in response to local initiative most Board money has been concentrated in fish processing, the sub-regional multiplier for employment shows that something very close to two jobs are generated on shore for every one at sea.⁶⁸ Altogether the Board assisted 24 firms engaged in processing, 7 of them in Shetland, and created an estimated 598 jobs, 243 of them in Shetland.⁶⁹ (Once again this is up to the end of 1971). Except for Shetland, where white fish formed the basis for expansion, the bulk of these processing factories dealt with the growing shellfish sector - such things as scallop processing (Tarbert, Argyll) and crab canning (Yell).

One of the major problems of the processing industry was its dependence on regular supplies of fish which do not always materialise. This problem became particularly acute on Shetland in 1968 when the processing capacity had been greatly increased but several of the larger Shetland boats continued to land in Aberdeen. Things became so serious that the Board sought the permission of the Scottish Office to acquire a mid-water trawler to be used to fish exclusively for the local factories. They were not allowed to proceed but fortunately for the processing firms a plentiful supply of fish began to come to them in 1969.

66. H.I.D.B. 1966, p.21.

67. 'In Great Waters', p.18.

68. Ibid.

69. Ibid, p.11.

Two processing ventures deserve special mention - Ice Atlantic in Shetland and Gaelfish, Stornoway. The first was a private company, one of the largest of Shetland processors, which received progressively more and more financial assistance until, when it got into management difficulties, it was effectively taken over by the Board and new management brought in - considerable losses having to be written off in the process. Gaelfish was one of the projects undertaken at the Board's own hand. Its premises began life as a Herring Industry Board freezing factory and cold store but the H.I.B. thought it would be more suitable for the Board (H.I.D.B.) to own it as the latter were "free to deal with all kinds of fish".⁷⁰ (Though it is a moot point whether this was not just an excuse to get rid of something they considered a certain loser). The Board accepted the offer and took over the factory in 1968. It cannot be said that the Board went into the project with its eyes closed; right at the beginning they declared that it was "doubtful whether the factory could run profitably in the early years"⁷¹ but having spent over £2m. on the Western Isles fleet it was important to try and build up a complementary processing industry. The Board were quite realistic in not expecting profits: in the first nine months of its existence (July 1968 - March 1969) Gaelfish had trading losses of £11,143; in 1969-70 the losses were £16,696 and in 1970-71, £5,964⁷² (actually trading ceased on 28th February 1971 so this was not quite a full year). Once again management difficulties and irregular supplies of fish posed major problems for the enterprise. In 1970 the Board decided to sell Gaelfish. It is not clear how far this decision was due to the new Conservative Government, elected in June 1970,

70. H.I.D.B. 1968, p.51.

71. Ibid.

72. H.I.D.B. 1969, Appendix IV, 1970, Appendix IV and 1971, Appendix IV.

and at that time committed to a "lame ducks" policy; informants who are in a position to know the truth (i.e. Board Members) are simply contradictory on this point. In my judgement the fact that the sale came when it did - with Gaelfish still making losses - indicates that the change of Government must have played some part.⁷³ The factory was duly sold in 1971 to a Norwegian company who, it appears, having been running it successfully.⁷⁴

The other significant manufacturing industry associated with fishing is boat building. Of some seventeen yards situated in the Highlands and Islands the Board assisted eleven,⁷⁵ the bulk of this aid going to Orkney (3 projects) and Campbeltown. As well as financial assistance the Board helped boatyards by pressing for boats built under their own schemes to come from the Highlands if possible. Two completely new ventures were supported. (i) A shipbuilding and repair yard in Campbeltown (the first in the region to construct steel boats) started in 1969, in 1970 the Board subscribed to 29,000 £1 shares in this enterprise.⁷⁶ (ii) A company specialising in using glass reinforced plastic (its main premises were in the South of England) was attracted to Orkney. Altogether an estimated 110-120 additional jobs in boat-building were created by H.I.D.B. assistance.⁷⁷

More experimentally, the Board concerned itself with fish farming. Projects under this heading can be divided into 3 groups. (i) Salmon and

73. An assesment supported by C.C. Hood in his unpublished paper "Fishing Politics & Administration" (Glasgow, 1972) and by R. MacFarquar, Secretary of the Highland Fund (which gave the factory a loan to help it through the transition period from H.I.D.B. to private hands).

74. H.I.D.B. 1971, p.47.

75. The number of yards in the region was said to be 16 in H.I.D.B. 1969, p.57. Since then the glass reinforced plastic boatyard has been set up. For the number of projects assisted see p.11 of 'In Great Waters'.

76. H.I.D.B. 1971, Appendix III.

77. 'In Great Waters', p.11.

trout - the largest single number of fish farming ventures supported by the Board concerned the breeding of rainbow trout. (ii) Marine fish; the W.F.A. already had an important experimental plaice-rearing farm at Ardtoe and the Board contented themselves with backing this. (iii) Shell fish farming; assistance was given for the cultivation of mussels, oysters and lobsters in various parts of the region. One of the schemes the Board became most involved with was the creation of a large Oyster hatchery at Loch Creran promoted by Scottish Sea Farms Ltd. (20,000 of whose £1 shares are owned by H.I.D.B.). Local opinion held that the entrepreneur who started the project was a highly dubious character and the Board were criticised for supporting him. Local opinion seems to have had some grounds for its assertions in this instance and there has since been a change in management. By the end of 1971 the Board had given a total of £535,000 worth of assistance to fish farming⁷⁸ and retained the services of a consultant. They continued to be worried by a number of problems including the lack of training facilities or advisory services and the possibilities of disease.

The other new venture that the Board began to take an interest in from 1970 was industrial fishing - i.e. fishing for species (especially Norway Pout) not usually eaten but which could be used for the production of fishmeal. Together with the W.F.A. and a fishmeal company they helped sponsor trial fishing to investigate its possibilities. If the experiment were taken any further there is a good chance it would provoke opposition from regular fishermen who feel that it might be detrimental to conventional fish stocks.

Although the Board's fishing policy has in general been both popular and successful it has not been without its disappointments, the most

78. Ibid, p.12.

important of which are listed by William Russell in his analysis 'In Great Waters'.⁷⁹ Among them are included the lack of shore developments (particularly processing) to balance the increase in the size of the fleet at Stornoway, the slowness of the development of Orkney fishing, the almost complete lack of advance in Caithness and the failure to make an impact of the Skye community (a failure of public relations as much as anything, Skye has in fact received a good deal of Board money). Against this must be balanced the achievements and especially the two most notable of them: the complete revival of the Western Isles fleet and the prosperity of Shetland. Stornoway was the chief beneficiary from the expansion of the fishing fleet but several of the small communities of the tiny islands - notably Scalpay and Eriskay - have done extremely well. Shetland did not participate much in the F.D.S. as it already had a large number of professional fishermen who could utilise the financial assistance offered by the fishing authorities but it did well out of the second-hand boats and 'dual-purpose' boat schemes. Far more important, though, was the boost given to the Shetland processing industry which permitted the benefits from the expansion of fishing to be spread widely throughout the community. The precise extent of H.I.D.B.'s contribution to Shetland's boom is difficult to assess but generally Shetlanders seem agreed that the Board's finance at least was a vital factor.⁸⁰

Land Use

If their fishing policy won the Board wide approval, their actions (and lack of them) on land use were perhaps the greatest source of controversy they had to face (with the exception of Moray Firth Development).

79. On p.66.

80. See Scotsman 8/3/72, 'In Great Waters' p.45.

The controversy centred on two quite separate aspects of the problem: land use policy in general and assistance to agriculture in particular. Concerning land use in general it is certain that any policy pursued by any board in the Highlands would have been controversial. Land is the great emotional symbol of the region and its history together with its present division into large estates ensures that positions taken on land use are likely to be firmly entrenched and not susceptible to compromise. The Board avoided this minefield by taking no action.

That is not of course entirely fair but they did put greatest stress in their development policies on the provision of jobs and on no reasonable analysis could it be thought that the land would produce much in the way of employment whatever was done to it. In its first report the Board claimed that a "land use plan" was "essential to our long-term programme"⁸¹ but partly because it received a lower priority than employment producing schemes and partly out of a genuine belief that such a plan should not be hurried and should, when it emerged, be 'comprehensive' little was seen to happen. Needless-to-say the Board was criticised for not acting more vigorously;⁸² many of the most enthusiastic supporters of the idea of a Highland Board has seen land use as one of the central problems that needed tackling. The more radical among them had hoped to see the landowners taken on and beaten - and here lay another reason why the Board was slow to act: Grieve was deeply averse to engaging in a bitter conflict, probably involving compulsory purchase, which, in his view, even if won would give few advantages.

So the Board disappointed many people over land but it did do something: in 1966 it set in motion comprehensive development surveys of the Strath of Kildonan and Mull - both areas having been selected as suitable for detailed

81. H.I.D.B. 1966, p.28.

82. See for instance Ian Carter, "The Highland Board and Strath Kildonan", Catalyst, Spring 1972.

study by the Highland Panel and were inherited by the Board. The reports of both of these surveys took some time to see the light of day - the Kildonan study was published in Spring 1970 and the Mull one not until August 1973 (although it had been completed over a year before and spent the remaining time getting through the Scottish Office). The chief reason for the protracted period of gestation of these surveys was the enormous number of different bodies that had to be consulted, both in the course of the survey and after it has received its draft form, so that their assorted comments could be considered before final publication. In the case of the Kildonan study no less than 28 bodies - public authorities, interest groups and the local estates - were sent copies of the draft report. And this for a report startling only in its lack of recommendations, a lack that can hardly be blamed on the Board as it seems unlikely that Kildonan ever had much potential for development. In fact concerning land use in the Strath (as opposed to development in Helmsdale) only two conclusions seem to emerge: that an extra 15,000 acres (out of a total area of 200 sq. miles) should be afforested over a period of 20 years and that 1,500 acres should be improved in order to increase agricultural output.⁸³ Such unexciting recommendations produced considerable disappointment, but even moving this far from the status quo the Board was criticised for ignoring the sporting value "which is and always has been the land use giving the highest economic return"⁸⁴ - a charge the Board flatly denied. On the other side, it has been claimed that the Board accepted the landowners' case far too uncritically and should have used amount of employment created, rather than return on capital, as the test of the best land use; a change, it is said, that would have produced more emphasis on agriculture and less on deer.⁸⁵ In dealing with land use in the Highlands you can never please

83. H.I.D.B. Special Report 5, 'Strath of Kildonan - proposals for development', p.16.

84. Ibid, p.14.

85. Points made by Robert MacLennan, M.P. Carter (1972) makes similar criticisms when he says that the Board defined development in "economic" terms only and ignored its "social" aspects.

everybody but it is quite easy to please nobody.

The Mull survey was ^{on}an altogether grander scale and the Board's proposals for development were correspondingly more significant. ⁸⁶ Aiming at 'comprehensive development' it dealt with fisheries, tourism, manufacturing industry, transport, housing and education as well as land use (the Kildonan report also considered tourism and fisheries) but it is the latter that has already provoked controversy. Once again the estates have placed a higher value on sport - particularly deer-stalking - than the Board and have "indicated that they would resist any attempt to impose any changing emphasis in their estate enterprises". ⁸⁷ It remains to be seen whether the Board will back down. The other main line of controversy that has emerged is a traditional one on Mull - the dislike of most landowners and occupiers, large and small, whether concerned with agriculture or sport, for increasing afforestation. Yet forestry brings one of the best hopes for land development. The Board got into trouble on this score quite early in their life in fact. Following an outspoken speech by John Robertson a number of Mull farmers angrily accused them of being against agriculture and favouring forestry and tourism instead. ⁸⁸

One other aspect of land development deserves mention because like the utilisation of peat it has its hallowed place in the litany of desirable undertakings - the reclamation of tidal land. In 1966 Lord Lovat proposed a scheme to Inverness County Council involving the reclamation of land from the Beaully Firth and was somewhat annoyed when the Board were unwilling to foot the ^{bill} for further investigations. ⁸⁹ However the following

86. As the report did not come out until well after 1970 I will not say much about it here.

87. H.I.D.B., "Island of Mull", April 1972 (draft), Appendix 6, p.2.

88. Scottish Daily Express 14/3/66 & 18/3/66.

89. Inverness Courier, 9/9/66 and 24/2/67.

year they did arrange for D.A.F.S. engineers to carry out preliminary surveys of tidal land in the Dornoch, Cromarty, Beauly and Inverness Firths, the Kyle of Tongue and Baleshare Island, North Uist. The results showed that reclamation in most of these areas would be technically feasible, but that the cost would be high. Not committing themselves, the Board said that the choice would "depend on national decisions on the fundamental value in the long-term as against the short term extra cost".⁹⁰ Nothing further has happened.

If we compare the total assistance given to agriculture over the years 1965-70 (£404,132) with the assistance provided in any of the other main sectors of the Highland economy during the same period - manufacturing, tourism and fisheries (all of which ^{received} over £1.5m.)⁹¹ it becomes clear that it was not one of the Board's main priorities. There were two reasons for this: first, the point already mentioned when discussing the Board's strategy, because agriculture offered little prospect of extra employment however well assisted and the Board considered the provision of jobs as the core of Highland development; secondly, and a point apparently not much appreciated by the Board's agricultural critics, the whole field was already covered by other bodies offering a wide array of various sorts of financial assistance so that it was not easy to see where the Board could fit in. Chief among these other bodies was of course the Department of Agriculture and Fisheries for Scotland, flanked by the colleges of agriculture and research institutes and reinforced in the crofting areas by the Crofters Commission. Not surprisingly D.A.F.S. did not want to see the Board entering the agricultural assistance game merely in order to duplicate work already being done. In general the Board was happy enough to accept this though there

90. H.I.D.B. 1969, p.65.

91. All figures from H.I.D.B. 1970, Appendix IX.

were occasions when they wished to help certain developments and were shooed off by the department. For instance in 1969, 18 Argyll farmers put forward a land development scheme and the Board planned to give them assistance until the idea was vetoed by D.A.F.S. on the grounds of H.I.D.B.'s limited remit on the question of 'topping-up' existing grant aided schemes.⁹² As a result the Board's involvement in agriculture, especially in its early years, was limited and tended to concentrate on marketing assistance or help for the more experimental projects - notably the Uist calf marketing scheme started by Hebridian Calf Producers Ltd. and the development of intensive pig production units.

Unfortunately for the Board these minimal activities brought continual criticism upon its head.⁹³ Not only were agricultural interests quite strong in the Highlands but there were numerous people outside the industry who believed agriculture - far more than manufacturing or tourism - to be particularly "right" for the region; not to stress the importance of agriculture was in a sense to challenge the faith of a substantial body of Highland opinion and therefore produced adverse reactions. It became apparent that it would be politically desirable, at the very last, to involve the Board more closely in agricultural assistance in order to draw the fire and in 1969 a concordat was worked out with D.A.F.S. and the Crofters Commission specifying clearly just how the Board could fit into the agricultural assistance programme.⁹⁴ Even so the total aid given in 1970, though greater than in any previous year, was still quite small (£143,000).⁹⁵

92. Scotsman 10/4/69.

93. For instance from Reay Clarke, President of the Easter Ross Branch of the N.F.U. see Inverness Courier 30/9/66; Michael Noble in the Scottish Grand Committee, Debate on the Scottish Estimates, 11/7/67, col.213 and Lord Lovat, H.L. Deb, Vol.291, col.192.

94. H.I.D.B. 1969, Appendix XII. Essentially the new rules allowed a farmer to go to either H.I.D.B. or D.A.F.S. (or the Crofters Commission if eligible) for assistance.

95. H.I.D.B., 1970, Appendix VIII.

As with all other sectors of the economy the Board were active in commissioning research and surveys. Aside from the Kildonan and Mull reports, which of course dealt with agriculture in part, a survey of the trends in Orkney farming was commissioned in 1966 and a comprehensive study of agriculture in Caithness, Orkney and Shetland began in 1968. Following the conflicts over land use caused by Moray Firth development (see next chapter) the Board got together with the Moray Firth Committee of the N.F.U. plus other official bodies and interests, to study the affect of urban developments on the farming of the area. By the end of 1970 neither this nor the Caithness, Orkney and Shetland study had been completed.

In addition the Board undertook one major land use project at its own hand - the experimental growing of bulbs in North Uist. One of the most interesting of the Board's schemes and perhaps in the end their biggest failure, the antecedents of this project pre-date H.I.D.B. by a number of years. In 1957 the cooperative, Hebridean Bulb Growers, was set up with the support of the West of Scotland College of Agriculture, the Crofters Commission and D.A.F.S. to encourage crofters to grow bulbs and to market them. The experiment began on Tiree but by 1965 had spread to many other parts of the West Highlands. Financial difficulties made Hebridean Bulb Growers apply to the Board for a loan and the latter responded by getting one of their staff to produce a feasibility study. His conclusions were that the bulb scheme as it stood was undercapitalised, too geographically dispersed and suffering from poor management; nevertheless bulb growing in the Hebrides looked like a viable proposition and he recommended instead that the Board set up a new concern to carry it forward, perhaps based on Islay.⁹⁶ The Board accepted that they should involve themselves in bulb growing experiments but chose the Outer Hebrides as the location and by mid 1967 a

96. R. Dean, Bulbs from the Western Isles, A feasibility study (H.I.D.B. unpublished), p.1, 17, 82 and 125. chapter 2.

Dutch soil expert had investigated suitable areas. Perhaps because of their experience with Hebridean Bulb Growers the Scottish Office were sceptical of the idea from the beginning - one of John Robertson's complaints at his resignation was that they had procrastinated over the scheme ⁹⁷ however they did not stand in the way absolutely and by the end of 1967 six acres of bulbs had been planted in North Uist. ⁹⁸ The crop was successful and the experiment was repeated in 1968 and 1969 using larger acreages while research was done for the Board on the possibilities of using reclaimed land and on the marketing of bulbs.

By April 1969, when a formal proposal on the subject was put to the Secretary of State, the scheme had reached grandiose proportions. The Board wished to reclaim 1,500 acres of tidal sands in North Uist, known as the Valley Strand, for 'large-scale concentrated bulb growing' ⁹⁹ and to set up a company to take over the assets of the Hortico Group Ltd. - a Lincolnshire bulb marketing firm that was acting as their commercial advisers - the company to be 80% owned by H.I.D.B. and 20% by the Hortico people. ¹⁰⁰ In all the finance required - over a period of 8 years - would be between £2¹/₄m. and £2¹/₂m. ¹⁰¹ It was thought that there could be legal difficulties over the ownership of the land, almost all foreshore, which was in private hands but in which there were public rights that would have to be extinguished or by-passed. Most of this land was owned by the Granville Trustees and as the Granvilles are related to the Royal Family when the scheme was curtailed an (unfounded) local rumour had it that undue influence had been brought to bear. In fact the project never reached that stage for although the bulbs lifted in

97. Scotsman 8/7/67

98. H.I.D.B. 1967, p.30.

99. H.I.D.B. 1969, p.66.

100. Proposal from the H.I.D.B. to the S. of S. for Scotland, "The Reclamation of Valley Strand in North Uist as a Comprehensive Bulbs Project", p.1-3.

101. Ibid, p.1.

1969 showed promising results the harvests of the next two years were not good enough to convince either the Technical Committee set up by D.A.F.S. to look into the Board's proposals or H.I.D.B.'s new commercial advisors (Hortico had sold out to another group), that the scheme would be viable; the chief problem seems to have been the effects of salt-bearing winds. Faced with these results and a Scottish Office very unwilling to see more money lost on the project, the Board decided to discontinue tulip growing and to limit further work to daffodils and crocuses. Without tulips, the most profitable bulb, the reclamation scheme could not be justified and the Board withdrew their proposals in 1971.¹⁰² Since then daffodil and crocus growing has also been discontinued.¹⁰³

The Bulb Scheme was a bold experiment which, had it worked, would have been an important addition to the economy of the Uists. In the event however it must be judged a complete failure - but this does not mean that it should not have been tried. No doubt there were people who from the beginning were sceptical about the possibilities of such a development; they turned out to be right but the grounds for their doubts were never, so overwhelming as to make bulb-growing a risk not worth taking. It probably would have been more discreditable for the Board not to have taken this risk than to have tried and failed.

Towards the end of the 1965-70 period the Board started to consider some other small land use projects - they began to experiment with the growing of shrubs in Argyllshire and made plans to set up a pilot blueberry growing project. Earlier on they had ^{investigated} ~~re /~~ the market for venison with a view to encouraging the farming of deer and a survey they had commissioned showed that the conditions for the development of mink farming in Shetland and Lewis were favourable.

102. H.I.D.B. 1971, p.53.

103. H.I.D.B. 1972, p.55.

With all the success in the world none of these experimental schemes could hope to come remotely close in importance to the major use of land not yet mentioned: forestry. The Board in the outline of ^{their} strategy had called forestry one of the three main props of the Highland economy - especially important as it was a considerable employer of labour in areas where there was little else to be found. However because the planting of trees using public money is the responsibility of the Forestry Commission the part played by the Board has been a rather marginal one. Apart from discussions with the Commission and D.A.F.S. as to where large scale afforestation could best take place (and assistance to timber using industries) its role was largely exhortatory - continually trying to persuade the Government not to engage in economy at the expense of forestry.

Mineral Extraction

There is a use for land other than growing things on it (for whatever purpose) - to dig it up and extract its mineral content. This has its disadvantages: if large scale new mining ventures were brought into the Highlands under Board auspices there would be a head on clash with those concerned with amenity or the environment. The Board's view was that almost any development would improve the prospects of 'difficult' areas (like North West Sutherland) but by 1970 no conflict had emerged as assessment of mineral potential had got no further than the exploratory stages. By the end of the period the most detailed search for minerals conducted by the Board was in North West Sutherland. Feldspar, quartzite, shell sands and garnets were found, as well as non-ferous minerals ¹⁰⁴ and the option on a feldspar deposit discovered near Durness was taken by an international mining company. Preliminary mineral assessments of mainland Ross-shire and S.E. Skye were also under way. Together with these general

104. H.I.D.B. 1969, p.35.

surveys there were some specific studies concerning the revival of the extraction of diatomite in Skye; the expansion of the Caithness flagstone industry; the possibilities of magnesium production; and the development prospects for Kildonan gold - not so much a commercial venture this, as a possible tourist attraction that the Kildonan report had recommended.

All these things were only possibilities and so cannot compare with the other mining ventures the Board had assisted: the Coalmine at Brora. This mine had a long history; ¹⁰⁵ it had been helped by the Highland Fund and by the time the Board took office was owned and run by the miners. ¹⁰⁶ In 1966, when it seemed that the coal resources had been exhausted, the Board paid for test bores and reserves of over eight million tons were discovered. Much of the cost of driving a new mine shaft and providing associated equipment was financed by the Board through loans, grants and shareholding so that in 1969 the Brora mine became the Board's largest single investment in an industrial undertaking - an investment that included 20,000 25p. preference shares. ¹⁰⁷

Special development Areas and Social development

Certain other of the Board's activities deserve brief mention and can be conveniently discussed under the headings 'special development areas' and 'social developments'. The 'special development areas' (the title is the Board's) are those areas, mainly islands, which have special problems. In 1967 the Board and the Crofters Commission collaborated in drawing up a list of 'industrial holding points' at centres of labour supply in the crofting North and West and H.I.D.B. employed a Consultant (Robert Storey, later to become the Board's Social Research and Development

105. See chapter 3.

106. With John Rollo as the Chairman of the Company - see Glasgow Herald 6/10/65.

107. H.I.D.B. ¹⁹⁶⁹ p.23-25 and H.I.D.B. 1970, Appendix III.

Officer) on community development who began by looking at Raasay, Barra and the Uists. Earlier still the Board had had to grapple with the problems of Colonsay - which three senior staff members visited late in 1966; their conclusions were that modest tourist developments offered the best hope.

Tourism might perhaps have helped Raasay's economy too but progress on that score has been subjected to the most extreme delays. The heart of the problem was the lack of a proper ferry service to the island. This question was first considered by the Inverness County Council as early as 1965 and in response to a Parliamentary question by Russell Johnston in 1966, George Willis (the Minister of State) announced that the Board would be looking into the possibilities of development. A Board team did not actually manage to get to Raasay until late 1967 and then, just as D.A.F.S., the County Council, H.I.D.B. and MacBraynes had come to an agreement about a ferry, the 1968 Transport Act intervened and the Council postponed a final decision until they could assess their other Island commitments. In October 1969 the Board announced their intention of spending £110,000 on Raasay to develop tourism and fishing, but further action depended on the provision of an adequate transport service. And this never came: at first the extremely high costs led to protracted discussions between the County Council and the S.D.D. as to how they should be divided; then, when the County Council were ready to move, they ran into the obstacle of a local absentee landlord, Dr. Green, who refused to sell them the land needed for a ferry terminal (on amenity grounds). The County Council are at present going ahead with compulsory purchase but this will inevitably mean more delays. The Board were not responsible for the transport problem as such but have been criticised by Islanders and by Russell Johnston for neglecting to push ahead with any developments until a ferry service had been started. ¹⁰⁸ It might

108. The whole story (up until Spring 1972) is to be found in the Glasgow Herald 14/3/72.

also be said that in the multi-organisational situation of Highland administration any hopes that H.I.D.B. would act as an overall coordinating body have proved unrealistic.

Certain mainland areas also got special attention (though admittedly such a description sounds ironic when applied to Raasay). In 1969 the Board set up a working group with the local authorities and the Crofters Commission to see what could be done to provide employment in the Kyle area, threatened with the loss of the Stornoway ferry and its railway. The following year a consultative group and a technical working party were set up to produce a planning strategy for Torridon; the Board was represented on both bodies.

The Board was empowered to give grants to projects 'contributing to the social, cultural or recreational development of the Highlands and Islands'¹⁰⁹ and it disbursed sums ranging from a little over £3,000 in 1966 (when there were very few applications because not many groups realised they could apply for Board assistance), to £74,000 in 1968.¹¹⁰ for these purposes. The sort of projects helped ranged from sea-angling festivals to the activities of An Comunn Gaidhealach. The other action by the Board that might be classed under social development was the plan to assist communities that had poor television reception to receive piped television on a communal basis.

Transport and other Advisory Functions

So far we have been considering only those fields where the Board had executive responsibilities. But on top of this it had the duty to advise the Secretary of State on practically all aspects of Highland affairs that may have some bearing on economic or social development. In practice

109. H.I.D.B. 1968, p.20.

110. H.I.D.B. 1966, p.11 and 1968, p.20.

this has meant, above all, advice on transport policy - the Board took over from the Highland Transport Board, wound up at the end of 1966, as the main advisory body for this most sensitive of subjects. Grieve said in 1966 that the Highlands had a 'communications neurosis' ¹¹¹ and certainly a persistent feeling of remoteness exacerbated by poor transport services, has made communications a continuous source of grievance. The seamen's strike in the summer of 1966 demonstrated the special problem of the islands and one of the recommendations made by the Board in their report on the strike was that freight and passenger charges should be held steady over the next two years. The Secretary of State promised only to take the Board's arguments "fully into account" if and when transport charges came to be considered. ¹¹²

Following the report of the Highland Transport Board, published in May 1967, H.I.D.B. took up a number of its proposals - such as charging sea freight at the same rate per mile as road freight and providing Islay and Jura with an 'overland' route to the mainland (i.e. a combination of improved roads and short ferry crossings) ¹¹³ - and continued to urge them on the Government (with little effect). Transport to the South Argyllshire islands again became controversial with the decision of a private company - Western Ferries - to introduce a vehicle ferry service there. The Board wished to give grant assistance to Western Ferries for piers etc. but the Secretary of State considered assistance from public funds unjustified. Western Ferries nevertheless went ahead. Of the other sea routes to the islands, H.I.D.B. accepted MacBrayne's case for a vehicle ferry

111. Glasgow Herald, 5/2/66.

112. H.I.D.B. 1966, p.37.

113. D.A.F.S., Highland Transport Services, (1967), paras.4.109 & 6.25. These were the most radical of the Transport Board's proposals; most of the others concerned more mundane things such as road improvements, the retention of the main Highland railways and increased use of vehicle ferries.

between Ullapool and Stornoway to replace the old Mallaig-Kyle-Stornoway route, recommended improvements to the Kyle-Kyleakin ferry, recommendations that were promptly put into practice by the new Scottish Transport Group, and investigated the need for a new fast ferry between Caithness and Orkney.

In the period under consideration a Committee of Inquiry Chaired by Professor Edwards was considering British Air transport. The Board gave evidence to them, suggesting that the network of air services in the region should be further extended and that in order that losses should be less, B.E.A. should increase the sector lengths of the large aircraft and use small planes on other routes. The Edwards Committee accepted much of what the Board had to say.¹¹⁴ As part of the general scheme to bring more and more places into the air network the army were persuaded to build airstrips in a number of places (particularly islands) under their O.P.M.A.C. scheme with the Board occasionally assisting in the cost of the materials when these proved too expensive for the local authorities. The Board's whole conception of Inverness as the main air transport centre with feeder services coming to it from other parts of the region did not go unchallenged however - Zetland County Council considered that Shetland with its Aberdeen links did not really fit into such a regional scheme.

As for road transport, apart from submitting detailed proposals about the improvements they thought should be included in the Government's Roads Programme for the 1970's, the Board was mainly concerned with working out the implications of 1968 Transport Act for the region. (Important amendments to the original Bill had in fact been made after representations from the Board). Another extraneous change that affected Highland transport was the transformation of the Post Office into a public corporation. Previously bus companies had often received mail contracts which helped maintain them even though it meant that the Post/^{Office} was paying rather more than

114. Report of the Committee of Inquiry into Civil Air Transport, Cmnd.4018, paras. 432, 753 and 786-9.

if they used their own vehicles. The Board was anxious to make sure that in the event of the G.P.O. becoming more economy conscious, an arrangement would be made safeguarding bus services and in response to this the Post Office began investigations into the suitability of minibuses on certain postal routes. A number of these have since been introduced - but this takes us beyond 1970.

Finally, rail. An axe hung precariously over both the Fort William - Mallaig and Dingwall - Kyle of Lochalsh lines throughout the period and in 1970 fell on the latter. The Board were left with the problem of what advice to give the Secretary of State, and in 1971 grudgingly accepted that there was "no compelling case for the permanent retention of the railway on strict economic grounds".¹¹⁵ They therefore recommended its closure provided that adequate arrangements for alternative road transport were made. (However events have since moved on - see appendix). Mention might also be made of two other Board activities in the transport field - the publication of regional transport guides for tourists and the setting up of a Transport Operators Group in 1967 to solve a number of problems of transport coordination.

Much of the other advice tendered by the Board was in fact the work of the Consultative Council. For instance in their first year H.I.D.B. were asked to submit their views to the Birsay Committee (dealing with medical Services in the Highlands and Islands) and to Wheatley, and to advise the Secretary of State on the application of the principle of comprehensive education to the Highlands. In each case the Board sought the advice of the Consultative Council and passed this on with their own endorsement¹¹⁶ - which did not save them from bearing the brunt of the attack when these views were disliked, as was the report on secondary education by some of the Local Education Authorities.¹¹⁷ Later on it was

115. H.I.D.B. 1971, p.55-56.

116. H.I.D.B. 1966, p.45-46.

117. Inverness Courier, 10/3/67.

evidence produced by the Council, or rather its education sub-committee, that was accepted by the Board for submission to the Alexander Committee on Adult Education in Scotland. This reflects the fact that in matters such as education the Board did not consider itself to have any particular expertise, and concerning local government reform it had to be careful not to offend the authorities it had to deal with. (It is interesting to see the determination with which the Board representative avoided committing themselves in their oral evidence to Wheatley). Only on matters they considered to be directly in their own sphere of competence - for instance the problems of small firms being investigated by the Bolton Committee - would the Board give their views without reference to the Council. Finally, though this really comes under the heading of vague considerations rather than 'advice',^{there} was the Board's interest in Inverness as a higher education centre. In their 1966 report they discussed the case for a Highland University but admitted that the time for pressing for one was not ripe¹¹⁸ - the 8th Scottish University having recently gone to Stirling. Instead they hoped a research institute might be set up; since then little further seems to have happened.

Summary of the Board's Activities

All the most salient of H.I.D.B.'s activities since its inception in November 1965 until the end of 1970 (and sometimes beyond) are described above. How can these activities be summarised, or perhaps categorised, to give a broader picture of the functions the Board has created for itself in its work for 'development'? Four functions seem to emerge as especially prominent. First the Board was a provider of cash, in the form of grants, loans or share capital, to any venture they considered

118. H.I.D.B. 1966, p.35.

would boost the region's economy (as well as some reckoned to be socially desirable). Secondly, it provided a centre of expertise and advice; this covers a wide variety of activities - its management services, its fishery training, its organisational skills (manifested for instance in the setting up of the area tourist organisation) and its advice on transport policy. Thirdly, it was a promoter of research, surveys and investigations, that is it provided the information necessary for further development. And fourthly it was a salesman of the Highlands - through its publicity and promotional activities it attempted both to sell the region to the outside world and to boost the confidence of those in it. Like all categorisations this leaves things out of account, but it seems to draw out the main points. To make them more prominent it might be worth saying what the Board was not. It was not on the whole an entrepreneurial body; of course it did have its own projects, notably the hotel scheme, Gaelfish and the Bulb scheme, but in a sense they were exceptions (certainly the Board would not be happy if its success were judged mainly by them), on the whole projects 'at the Board's own hand' did not figure prominently. Secondly it was not a greater owner or manager of property; the Act gives it the power to hold land etc. etc. but by 1970 the Board's property in terms of land, buildings and equipment was only moderate.¹¹⁹ Thirdly it was not a central planning body, deciding the region's priorities, setting targets and marshalling the other public bodies behind its goals. Of course, there are good reasons for all these negatives and we will return to them in chapter seven.

The The Structure and Growth of Board

What of the organisation that did (or did not do) all these various

119. For details of the Board's assets see Table XII.

things? The Board, it has been said, is one of its own greatest successes.¹²⁰ And, irony apart, if ^{judged} say, in terms of employment provided there is something in this. Table X shows the growth in numbers of staff over the five years and it can be seen that from having 42 employees by 31st December 1966¹²¹ its staff numbers increased to 180 by the end of 1970¹²² - by no means huge by the standards of government agencies but a fair employer of labour in a small town like Inverness and the envy of the generally under-staffed County Development Offices. The organisation of the Board's staff evolved over the years: the earliest divisions were concerned with administration and grants and loans respectively. In the course of 1966 management services, planning and research, projects, and information were added; and in the following year land development, and transport and tourism divisions were set up. In 1968 after the addition of a few new divisions and the splitting up of the 'catch all' headings of grants and loans and projects the Board more or less reached its mature structure of nine divisions: (i) administration; (ii) administrative planning; (iii) agriculture and land use; (iv) Financial and Management services; (v) fisheries; (vi) industrial promotion; (vii) Information services; (viii) planning and research; (ix) transport and tourism.¹²³ There was no further change in 1969 but in 1970 the curiously named administrative planning division was wound up and transport was shifted from its association with tourism to being part of the industrial promotion division. The overwhelming majority of the Board's staff were based in Inverness - though they often made forays into wilder parts - first at 6, Castle Wynd, then (but this was in 1971) into new leased accommodation at Bridge House. The only real exception to this was the small office opened in Lerwick in 1968.

120. Russell Johnston, M.P. in an interview.

121. H.I.D.B. 1966, Appendix I.

122. H.I.D.B. 1970, Appendix I.

123. H.I.D.B. 1968, Appendix I.

Table X: Growth of H.I.D.B. Staff (all numbers as at 31st Dec.)

	1966	1967	1968	1969	1970
Senior Officials	} 18	8	20	21	21
Other executive staff		29	51	58	71
Supporting staff	24	47	76	85	88
Total	42	84	147	164	180

Source: H.I.D.B. reports 1966-70. Appendix I.

In charge of this growing number of staff were the four full-time and two part-time Board members. The individuals concerned were named in the last chapter; their division of interests was as follows. Grieve as chairman kept an eye on everything. Rollo, the deputy Chairman, specialised throughout the period on industrial promotion. Initially the other aspects of the Board's work were divided between Robertson - tourism, agriculture and forestry - and Smith - fishing, transport, power and liaison with the Consultative Council. However, in order to give more time for Robertson to concentrate on Moray Firth development (which would normally have been part of Rollo's work - but see next chapter) in mid-1966 agriculture and forestry were transferred to Smith whose responsibilities for power went to Rollo and for liaison with the Council to Scholes.¹²⁴ Though the scope for action on the part of the part-time members is limited Scholes also took an interest in education, training and labour availability. With the resignation of Robertson, MacKay took over tourism and M.F.D. The sixth Board Member (part-time), successively Logan, Thomson and Fraser did not have any special duties though as will be seen (chapter 6) Thomson took a close interest in M.F.D. Board members provided links with other bodies of which they were also members: Grieve was on the Scottish Economic Planning Council, Rollo was chairman of the Highland Fund, Robertson and then MacKay were, as we have seen, on the old Scottish Tourist Board, MacKay went on to become a part-time member of the statutory S.T.B. and was also on the Country-side Commission after its formation. Fraser was chairman of the North of Scotland Hydro-Electric Board and Scholes was on the Joint Committee of Industrial Training Boards for the Highlands and Islands and was also a member of the Scottish Economic Planning Committee.

The Board met regularly once a fortnight plus on a few other occasions making an average of 30 - 35 meetings per year (substantially more in 1967).

¹²⁴. Minutes of an informal meeting of the Board on 17/9/66 (I.M. 7/66).

Up until 1968 these meetings were in the presence of a Scottish Office assessor (William Russell) whose job was to act as a sort of guide in the administrative maze. The practice was discontinued however with the mutual agreement of Board and Scottish Office, the latter's position being that once H.I.D.B. had some experience it was better to let them work out their own policies without any possibly inhibiting influence (not that Russell seems to have had that effect in practice). Another temporary practice, used between 1967 and 1969 to clear the backlog of applications for financial assistance, was the convening of a General Purposes Committee of which all the Board were members. This practice when it started was mistakenly believed by a number of outsiders to be an attempt by the Scottish Office to increase control. ¹²⁵

The growth of the Board's total expenditure up until 31st March 1971 is given in Table XI. It can be seen that there was a steady increase up to 1969-70 when about £2 $\frac{3}{4}$ m. was being spent but in 1970-71 there was a levelling off. In every year the largest item of expenditure has been grants and loans. Over the whole 5 $\frac{1}{2}$ years the Board has spent a little over £10m. Table XII gives the growth of the Board's assets which reach a total of about £4m. in value at the end of 1970-71; the overwhelming bulk of this (£2,877,552) was tied up in loans. ¹²⁶

Consultative Council

Set up by the same Act as the Board in order to advise them 'on the exercise and performance of their functions' ¹²⁷ was the Highlands and Islands Development Consultative Council. The Act established that the

¹²⁵. For example, by Chris Baur in The Scotsman, 14/7/67.

¹²⁶. H.I.D.B. 1971, Appendix III.

¹²⁷. Highlands and Islands Development (Scotland) Act, 1965, Section 2(2).

Table XI: Growth of H.I.D.B. Expenditure and Income

	1965-66 ¹ (£'000)	1966-67 (£'000)	1967-68 (£'000)	1968-69 (£'000)	1969-70 (£'000)	1970-71 (£'000)
Admin.	41	140	211	350	424	588
Research & Publicity	5	27	104	211	230	417
Grants & Loans	59	584	1,140	1,603	1,663	1,203
Projects & Developments ²	-	5	68	143	411	541
Total Expenditure	105	756	1,523	2,307	2,728	2,749
Receipts ³	-	6	94	279	496	700
Grant-in- aid	106	790	1,400	2,025	2,300	2,000

1 - Not a full year - only November 1965 - March 1966

2 - The schemes done at the Board's own hand

3 - e.g. Interest from loans

Source: "Administration of H.I.D.B.", Appendix II.

Table XII: H.I.D.B.'s Assets and Investments

(as at 31st March of each year)

	1966	1967	1968	1969	1970	1971
Fixed Assets (at cost (£,000))	12	30	51	131	442	866
Loans to Industry (£,000)	60	566	1,379	2,237	2,851	2,878
Investments (un- quoted) at cost (£,000)	-	-	-	3	98	141*
Current Assets (£,000)	4	49	34	40	134	120
Net Assets (£,000)	76	645	1,464	2,411	3,525	4,005

*Details of investments as at 31/3/71 as follows:

Ordinary Shares: Caithness Glass Ltd., Wick - 10,000 Shares £1 Value (fully paid)
 Gateway West Argyll Ltd., Lochgilphead - 3,000 Shares £1 Value
 (fully paid)

**Lennon & Kean Ltd., Glasgow - 15,000 Shares £1 Value (fully paid)
 Manor Hotel (Stornoway) Ltd., - 6,000 Shares £1 Value (fully paid)
 Shetland Hotels (Lerwick) Ltd. - 15,000 Shares £1 Value (fully paid)
 Scottish Sea Farms Ltd., Oban - 20,000 Shares £1 Value (fully paid)

Preference Shares: Highland Colliery Ltd., Brora - 20,000 Shares 25p Value (fully
 paid)

Campbeltown Shipyard Ltd., Campbeltown - 29,000 Shares £1 Value
 (fully paid)

Debentures: Cairngorm Sports Development Ltd., Inverness - £38,400 (7½%
 Debentures 1981-86)

(** Company in liquidation)

Source: H.I.D.B. Reports 1966-71; Appendix III

unpaid members of the Council would be appointed by the Secretary of State subject only to "appropriate representation" being given to the various parts of the region. The Council's only official, their secretary, was to be an employee of the Board and appointed by them. The membership of the Council, as appointed in 1966, shows clearly the extent to which it was the direct successor to the Highland and Islands Advisory Panel. Not only was the chairman of the two bodies, Lord Cameron, the same but practically half the Panel members of 1964, not including those who were to be appointed to the Board (four people) became members of the new Council.¹²⁸ In total the Council contained some thirty members, a fair proportion of them from the Local Authorities, and it included one Board member - Prophet Smith up until late 1966 and W. Scholes thereafter.¹²⁹ The finance of the Council (i.e. for allowances and expenses) comes through the Board's grant-in-aid and at no time from 1966-70 exceeded £2,000.

The Council as a whole tended to meet four times a year but most of its detailed work was done in a variety of sub-committees, the three oldest of which dealt with roads, education and local government. Some of their work has already been mentioned: the Council provided the Board with evidence to place before the Birsay and Wheatley Committees and it was responsible for considering how comprehensive education should be applied in the region. Later they were to consider a variety of subjects from crofting tenure and industrial training to air services and the Transport Bill. From the beginning the Council gave itself three main duties; (i) to provide a two way channel of communication between Board and public, (ii) to initiate and offer advice to the Board and (iii) to deal with requests from the Board for information.¹³⁰ The third duty seems to have been performed well enough; it is

128. The list of Panel members is to be found in their report Land Use in the Highlands and Islands (1964); Council members are from H.I.D.B. 1966, Appendix VIII.

129. H.I.D.B. 1966, Appendix VIII.

130. Ibid.

impossible to say much about the first; but the second duty was in many ways a dead letter. It is impossible to find any Board policy that originated from, or was substantially changed by Council advice. This does not mean that they were completely uncritical of the Board - they responded even if they did not initiate. The sorts of criticism made reflected those made in the Highlands at large (which are considered in more detail in chapter 7), e.g. concern about a 'linear city' round the Moray Firth and demands that more be done for the crofting areas. There were also some niggling personality difficulties - not all of the Council had the highest regard for the abilities of some Board members. Nevertheless, the Board on the whole were happy enough with the Council, particularly, according to Grieve, in the latter part of the period when the two bodies came to understand one another better and the Council were able to make useful constructive comments on Board policies.

Chapter 6: Moray Firth Development

The Origins and Early Stages of the Policy

The most radical and adventurous (or to its opponents, grandiose and 'crackpot') of H.I.D.B. policies was Moray Firth Development (M.F.D.): the concentration of a substantial urban population, working mainly in technologically advanced manufacturing industries, on the flat lands fringing the Moray, Cromarty and Beauly Firths between Tain and Nairn.¹ The Board have been anxious to emphasise that this was only one element in their strategy, that it has been balanced by other developments elsewhere but this does not detract from its central role in their plans for the regeneration of the Highland economy.

The area was first recognised as a serious candidate for manufacturing industry shortly after the Second World War when the possibility of a New Town there was mooted. Robert Grieve, then the Scottish Office's Regional Planning Officer for the Highlands and Islands, prepared an initial study and the Secretary of State went as far as to make a premature announcement. The result was merely to embarrass the New Town people in the Scottish Office who were unenthusiastic about the idea, and it was dropped.² Official recognition of the advantages of the Moray Firth area did come in 1949 however when it was made a development area "because of its suitability as a focal centre of industrial development for the Highlands as a whole and not merely because of its local unemployment."³ Already

1. Occasionally described as Dornoch-Ardesier; the precise outer limits were not of practical importance.

2. This story was obtained in an interview with Professor Grieve; much of the subsequent information in this chapter that is not attributed to published sources comes from interviews with the main actors.

3. "A Programme of Highland Development", Cmd. 7976, p.20. The 1950 White Paper is in fact quoting an earlier one in which the Inverness-Tain Development Area was first announced.

its potential as a growth centre had been perceived. Things remained very much at the 'potential' stage for a decade and a half when the theme was again returned to by the 1965-70 plan for the Scottish Economy which established the 'Invergordon/Evanton/Dingwall/Inverness area as by far the largest of those areas in the Highland region with a 'potential for consolidation'.⁴ The reasons why it should have been so selected are set out clearly in the Board's first report: it contained a sheltered deep water harbour with flat land adjacent to it (this refers particularly to the Invergordon area of the Cromarty Firth which of course had for a long time been a Naval base) and it also had ample supplies of fresh water and a good climate.⁵ To this might be added the fact that it already had a higher concentration of population and hence a bigger labour pool than anywhere else in the Highlands. Later on, in the 1968 public enquiry (see below p.46) Ross and Cromarty County Council were to claim the "existing communications by rail and road" were an advantage,⁶ but this was only relative to other parts of the region.

Through his considerable experience as a planner in the Scottish Office Professor Grieve was well aware of these advantages and he came to the job of Chairman of H.I.D.B. determined that they should not be ignored. He was deeply impressed with the idea, or vision,⁷ that only by bringing in

4. "The Scottish Economy 1965 to 1970", Cmd. 2864, p.150. The commitment to the development of the Moray Firth expressed in this white paper was only of the most vague and long-term sort.

5. H.I.D.B. First Report, 1966; p.17.

6. Report of the Public Inquiry concerning Amendment No. 3 to the Ross and Cromarty County Development Plan, (May 1968); p.7.

7. Grieve has been called a visionary by both supporters and critics and this aspect of his character is brought out by an article in The Scotsman of 27th September, 1965.

"major manufacturing urban complexes" to the Highlands and "getting the centre of gravity up Britain" ⁸ could the area really be revived. And of all the areas of the Highlands that might be major growth points the Moray Firth was "unquestionably the most important". ⁹ The payoffs from such a concentrated development were hopefully to be many and varied: it would provide a degree of balance to the Highland economy which was seriously deficient in manufacturing industry; it would establish "a major centre of modern job opportunity" for those in the Highlands, especially the "clever boy" with a technical bent who was otherwise almost bound to leave the region; the increase in population would lead to the creation of a centre which could offer "a full range of modern commercial, social, cultural and other activities"; there would be a sizeable "home market" for the region's traditional products, such as food, which would be freed from the tyranny of long lines of communication; and the increased bulk of freight and greater numbers of people would justify "major improvements in communications between the Highlands and the South". There would be less tangible benefits too: the area would become a breeding ground for new skills and initiative which would "broaden the range of social and cultural leadership" and all this would in turn bring confidence - the quality that the Highlands had hitherto most notably lacked. Finally it would "assist in the improvement of the U.K.'s balance of payments"; but this perhaps was a rhetorical flourish, there is no reason to suppose that industry on the Moray Firth would export more than if it had been situated elsewhere. ¹⁰

Though most of the other Board members had probably not such a detailed

8. The Scotsman 20/1/66 (an article by Grieve).

9. H.I.D.B. First Report, 1966; p.17.

10. The description of the possible benefits of M.F.D. comes from H.I.D.B. 1966; p.4 & 16 - 17 and The Scotsman 20/1/66.

vision of what developing the Moray Firth might bring they were nevertheless highly receptive to the idea and were easily convinced of its importance. This was particularly true of John Robertson who became one of the most enthusiastic partisans of M.F.D. The notable exception was the Deputy Chairman, John Rollo. He too had a vision of the Highland future - a vision that typified a distinctive approach to Highland development and one held by many other people. It was a very different approach from Grieve's: instead of integrating the Highlands with the national economy it wanted the region's distinct ways to be preserved; instead of utilising the natural resources of the east it wanted effort to be concentrated on the decaying West; instead of large urban complexes it wanted the traditional township revived. The vision was of the crofting population living in the places and in the ways they had traditionally lived in, except that their decayed agriculture was to be given new life and they were to have the opportunity to supplement their incomes by a revival of fishing and part-time work in small manufacturing enterprises such as those Rollo himself had started in several places. According to this view the Board should be assisting with land reclamation, aiding crofting agriculture and fishing and persuading small businessmen to set up factories in the townships of the West and Islands. M.F.D. was objectionable not just because it used up the Board's money and energy on an area that could be left to develop itself, but also because if the policy succeeded, a large urban area would be created around the Moray Firth and would act as a magnet drawing people from the remoter areas and completing their depopulation. Against this the remainder of the Board took the view that development of the Moray Firth would not increase migration from the remote areas, it would merely give their inhabitants the opportunity to stay within the Highland region rather than going to Clydeside or beyond. But there was no combining the two visions and though he did not formally

commit himself to opposition at Board meetings, Rollo's antipathy to M.F.D. was well known and continued throughout his period as Deputy Chairman. It was for this reason that in mid-1966 special responsibility for M.F.D. was given to Robertson - a duty that would otherwise have fallen to Rollo as the Board's 'industrial promotion' man.

The Board had already set its sights on M.F.D. before Frank Thomson became a member, but he too was a strong supporter of the idea. In August 1964 he had been active in forming Polyscot Ltd. from which sprang a number of other firms concerned with a variety of things from farm supplies to property in the Moray Firth area. (One of these, Polyscot Polycast Ltd., applied for financial assistance from the Board soon after the latter's formation and received a £23,500 loan and a £1,500 grant¹¹). On an altogether vaster scale Thomson had become anxious to try and bring a large petro-chemical complex to Invergordon. This idea had originated while he was managing director of the distillery at Invergordon and had been considering uses for its by-products, which he commissioned a firm of chemical consultants to investigate.¹² Even before their report came out in October 1965, however, the story that an American Company was interested in starting a petro-chemical complex at Invergordon had found its way into the press¹³ and as a "friendly gesture" an I.C.I. representative had had a meeting with Thomson and the Chairman of the distillery company (Max Rayne) to give them I.C.I.'s assessment of the situation.¹⁴ Following this, Rayne forbade the use of distillery funds for any further exploration of the ideas but Thomson remained enthusiastic about its prospects. In

11. The Scotsman 17/3/67; "The Business World of Frank Thomson" by M. Magnusson and D. Kemp.

12. The Times, 14/4/67: "International Intrigue Grips the Highlands (& Islands)". See also the Sunday Times, 19/3/67; "How the Highland Board was Railroaded" which suggests the other directors of the distillery were unhappy about Thomson's actions.

13. e.g. Glasgow Herald, 30/8/65.

14. The Times, 14/4/67.

November 1965 a company called Invergordon Chemical Enterprises was registered and he was later listed as one of the two directors. When the Board was formed he immediately contacted them and got them interested in the possibility of a petro-chemical complex - as early as the S.T.U.C. Highland Conference in February 1966 Grieve mentioned the possibility of a "£30m" complex.¹⁵ The Company considering this development was the Occidental Petroleum Corporation of California, Invergordon Chemical Enterprises being the legal shell which, presumably, they were to use if their plans for the Cromarty Firth materialised. By the time he was appointed to the Board in March 1966 Thomson's commitment to petro-chemical complexes was common knowledge and was mentioned in the press.¹⁶ Surprisingly, considering the cries of outrage that were to occur a year later, no one seems to have thought it worth mentioning the possible clash between private interests and public duties.

The Board's first major action over M.F.D. came in April 1966 when it commissioned Product Planning (Proplan) Ltd. to do a 'Moray Firth Industrial Credibility Study'¹⁷ in order to decide on the feasibility of bringing any industry - not just petro-chemical complexes - into the area on the basis of an estimated population of $\frac{1}{2}$ million. Meanwhile the Board's ideas on M.F.D. began to be aired in public: in a speech to the Scottish Woodland Owners Association Grieve talked of the possibility of a large new linear city of $\frac{1}{2}$ million round the Moray Firth.¹⁸ This turned out to be a most unfortunate diplomatic blunder for whatever the unemployed or otherwise deprived sections of the population may have thought of it, a good many of the more prosperous people reacted with 'gloom and horror'¹⁹ at the idea

15. Inverness Courier, 1/3/66.

16. e.g. Scottish Daily Express, 8/3/66.

17. H.I.D.B., 1966, p.43.

18. The Scotsman, 22/4/66.

19. Inverness Courier, 22/4/66.

of good farm land being buried in concrete - an image that was to persist - the amenity of the area destroyed and its way of life radically altered. In the event the Product Planning report suggested that 250,000 was more realistic than 500,000 as a population target and this figure - a 3 to 4 fold increase in the existing population - hardly required the creation of a new Glasgow. The report came out in August 1966 and also suggested the bait of cheap electricity to attract firms.²⁰ It had the effect, says the first Annual Report of H.I.D.B., of confirming the Board in their thinking "that major growth was not only credible but should be pursued as a key element" in our longer term strategy".²¹

After this the pace increased. Proplan were commissioned to do a number of ancillary studies in the Autumn of 1966, and later, in the first few months of 1967, a whole crop of studies (by other teams) concerning M.F.D. were also commissioned, among them one by Merz & McLellan on the generation of cheap electricity and the Jack Holmes Planning Group's huge study of physical planning and infrastructure in the Moray Firth region.²² At the same time detailed negotiations with Occidental Petroleum began and contacts with other potential developers increased. A meeting between the Board and Occidental occurred on 11th October in London where it was decided, among other things, that both parties would commit themselves to prosecute the project vigorously, the Board dealing with the governmental side of things - investment grants, infrastructure, port facilities etc. - while Occidental considered the economic feasibility of a petro-chemical complex. Thomson was to ^{take} ~~under~~ ^{of} ~~coordinate~~ the activities of the two bodies.²³

Another meeting, this time in the U.S. early in December 1966, brought

20. Minutes of the 17th Plenary Meeting of H.I.D.B., 18/8/66.

21. H.I.D.B., 1966, p.16.

22. H.I.D.B., 1967, Appendix VIII.

23. Board Minutes, N.V. 255/66.

the project to the stage where it was sufficiently concrete for a formal proposal to be put to the Secretary of State. Such a proposal was made on 28/12/66.²⁴ It started with a general statement of the case for M.F.D. and asked for permission 'to initiate the necessary studies and consultations' for any projects which might materialise. Specifically it described Occidental's decision to commission a \$300,000 feasibility study by H.W. Kellogg & Co. starting in January 1967 and to be completed by the end of March. On the basis of this, Occidental were to say definitely by June, whether they wished to proceed on the understanding that their commitment depends upon the approval of the British Government being obtained by the end of the year. In the event of general agreement Invergordon Chemical Enterprises was to be the vehicle for the Complex, and, in addition to Government grants, the capital was to be provided half by U.S. sources and half by Scottish. The Board also pressed (although at this stage it was not a formal proposal) for cheap electric power at 1/3d. per unit to be offered to industries coming to the area. This did not affect the petro-chemical complex, a relatively small user of power, but would it was hoped, attract other industries - like aluminium producers.²⁵

The Secretary of State's approval of the proposal had been given by early 1967 by which time the Board had already set up a 'special team' (led by Robertson) to pursue the development of the Moray Firth.²⁶ Official public announcement of the scheme came on 18th January when Robertson told Ross and Cromarty County Council, who gave approval in principle, of the possible developments. But by that time rumours had been floating round for

24. H.I.D.B. 1966, p.44.

25. Proposal to the Secretary of State concerning Moray Firth Development (Unpublished).

26. H.I.D.B. 1966, p.18.

a long while and the Scottish Daily Express of 27th December had announced a 'top secret' plan to create 'jobs for hundreds'.²⁷ The article also reported concern among local farmers about the possible use of arable land for industry. It was an early indication of a source of opposition that was to persist throughout the subsequent years. The land to be used for any industrial development near Invergordon was recognised by the Board as being a likely cause of anxiety among farmers and early in January Robertson had told the Executive Committee of the Easter Ross branch of the N.F.U. about the proposals to establish a petro-chemical complex and about the provisional choice of the farm of Inverbreakie as its site.²⁸ As a result of this meeting the Easter Ross Land Use Committee (E.R.L.U.C.) was formed as a sub-committee of the Easter Ross Branch of the N.F.U. E.R.L.U.C. consisted of all those farmers in the Invergordon area who might be affected by industrial development and was under the Chairmanship of Reay Clarke, a past President of the Easter Ross N.F.U. who, though he lived in a different part of the area, had a long-standing interest in Land Use questions (He was a member of the Committee of the Highland Panel who had produced its Land Use report) - a total of 12 people altogether.²⁹ The farmers' declared position was that while they welcomed industry they did not want it sited on good arable land;³⁰ unfortunately Inverbreakie was first class arable land.

"The Thomson Affair" and its Aftermath

The loss of good farming land to industry was not the only source of concern over the Board's burgeoning policies for the Moray Firth; there was

27. Express, 27/12/66.

28. 1968, Public Enquiry, p.6.

29. Ibid.

30. Inverness Courier 20/1/67.

also increasing curiosity about the position of Frank Thomson. Interest in this topic sprang primarily from Phil Durham, himself an Easter Ross farmer and a part-time employee of the Board since its inception. He had been secretary of the Vigilantes group when Thomson had been the Chairman, and in those days the two men had been friendly. Since then however Durham had become deeply suspicious of Thomson's motives and had systematically begun to take confidential H.I.D.B. documents from the office whenever he thought they proved that Thomson was putting himself in an invidious position.³¹ Discussing the situation with a friend, Ian Grimble (the historian), at that time Chairman of the Caithness and Sutherland constituency Labour Party, he was persuaded to write a memorandum on the subject of Thomson's business interests which Grimble showed to Robert Maclellan, (the newly elected Labour M.P. for Caithness and Sutherland) who in turn contacted George Willis at the Scottish Office in late November.³² Although Durham was at this time concerned about the petro-chemical complex,³³ many of the documents that were to form the basis of his later explosive memorandum were not then available, and it appears that the main issue Maclellan raised with Willis concerned H.I.D.B. loans to companies Thomson had an interest in. The M.P. was given an assurance that the official regulations for dealing with such cases had been rigidly adhered to.

Durham was not satisfied and as the Board's involvement with a possible petro-chemical complex increased rapidly during December and January he continued to steal Board documents. By 20th January he had built up a fair collection and prepared a second memorandum on Thomson's business interests, this time putting most stress on Invergordon Chemical Enterprises. The memorandum reached the Scottish Office (where Dickson Mabon had now replaced Willis) by the same route as before, and Durham

31. This story occurs in a number of newspapers in the course of March/April 1967 and it is confirmed by Durham himself.

32. Letter from Durham to Franks Committee (investigating Official Secrets Act), 15/6/71.

33. Ibid.

received a reply to the effect that they were looking into it but would need 'more time'. As this second document had been accompanied by an 'Ultimatum' that unless the Government took action within a fortnight the matter would be raised in public, Durham considered that he must make good the threat. ³⁴

In early February he contacted The Times and sent them his information but they decided not to use it until they had seen a Board member. John Robertson duly visited their offices on 22nd February and managed to convince them that there were no unsavoury occurrences concerning the petro-chemical complex. As a result The Times withdrew their offer to Durham to submit an article based on his memorandum and instead produced their own, on 25th February, which, if not completely uncritical of the Board, was basically friendly and declared that they saw nothing 'dubious' about Thomson's financial interests. ³⁵

It is still a matter of controversy whether The Times told the Board that Durham was the source of the leaks: Durham himself declares flatly that they did (having been assured of this by other journalists), Robertson states equally categorically that they did not - that Durham was discovered simply through the Board's own investigation, as they had been worried for a number of weeks about the loss of confidential information from their office. Whatever the truth of the matter, Durham was dismissed on 24th February, the official reason at this time being that the Board were dispensing with all temporary staff due to pressure on office space; ³⁶ but a week later he was sent another letter from the Board, at the request of The Times, to the effect that he was sacked because of evidence 'from within the Board' that he had been taking confidential documents. ³⁷ Outraged by the actions of The Times, Grumble took Durham's case to the Sunday Express and in his "Current Events" column of 5th March

34. Ibid.

35. The Times 25/2/67.

36. The Times 3/3/67

37. Scottish Sunday Express 5/3/67.

John Gordon described Durham's dismissal, sympathetically portraying him as a man concerned about the misuse of public money and using the only recourse open to him. What, asked Gordon, are the Board's motives in trying to conceal what is going on? It was a question that was to precipitate a vigorous press campaign that, in the eyes of many involved at the time,³⁸ came close to destroying the Board.

The opprobrium that was to be heaped on the Board during March had certain minor precursors during the previous month. It is not possible, and perhaps is not true, to say that the Board was unpopular in some general way during the early part of 1967, but there was a larger volume of sniping from various quarters directed against it than at any other time. Some of this was concerned with the petro-chemical complex; the fear of the farmers for their land has already been mentioned; even in December 1966 they were expressing worry about compulsory purchase³⁹ and by February John Kerr in the Glasgow Herald was writing luridly of 'super-nationalisation' and 'mini-clearances'.⁴⁰ In some quarters there was a distaste for industry as such⁴¹ (but in fact very few people seemed willing to attack industrialisation in general), in others the dislike was directed at 'foreign trade competitors'.⁴² Even before Durham's memorandum became public there were those who strongly disliked Thomson and suspected him of using the Board for his own purposes.⁴³ Above all there was a common feeling that the Board

38. Including Grieve himself.

39. The Scotsman 23/12/66.

40. Glasgow Herald 27/2/66.

41. Inverness Courier 27/1/67.

42. The Scotsman 28/1/67 (letter)

43. Inverness Courier 3/3/67.

was obsessed with 'secretiveness'.⁴⁴ This was partly due, as the Board pointed out, to the fact that they were dealing with private concerns and must respect confidences⁴⁵ but, as Grieve has since admitted,⁴⁶ the feeling of being surrounded by enemies at this time might have led them to 'clam up' more than necessary. On top of this there was a certain amount of sheer misinformation. There seems to have been a fairly common feeling that the Board themselves were in a position to decide to give Occidental millions of pounds in grants.⁴⁷ More specifically, doubt was cast on the project when the Sunday Times reported that Occidental would not be contributing the bulk of the £50m. required⁴⁸ and Thomson had to repeat carefully that a lot of the finance (about 40%) would have to come from the Government while the remainder would be $\frac{1}{2}$ from Scotland and $\frac{1}{2}$ from the U.S.⁴⁹ Even more ludicrous was the result of the description, in an otherwise friendly article in The Scotsman, of Occidental's \$85 million "debt" (i.e. debenture capital) as an "overdraft".⁵⁰ Presumably the financially sophisticated were not fooled but it caused a certain amount of confusion in the Highlands.⁵¹ But silliest of all was the way that the £50m. cost of the project would suddenly, and for no apparent reason, expand to £150m. in the minds of those criticising it.⁵²

Quite separate from the petro-chemical complex were a number of other criticisms of the Board, some of them merely niggles that might ordinarily have been quickly forgotten about but which in the context helped to add to the

44. See for instance, Jean Forsythe's letter to The Scotsman on 28/1/67, (mentioned above), Glasgow Herald, 27/2/67 and the Scottish Sunday Express, 5/3/67.

45. Glasgow Herald 4/3/67 (article by J. Grassie - Board's Information Officer); Express, 6/3/67.

46. In an interview.

47. see Scottish Sunday Express 19/3/67.

48. Sunday Times 21/1/67.

49. Glasgow Herald, 23/1/67.

50. The Scotsman, 22/2/67.

51. Including the Inverness Courier, see Leader of 28/2/67.

52. See for instance John Gordon in the Scottish Sunday Express of 5/3/67, ^{Lo} Lovat speaking to Inverness County Council (reported in The Scotsman, 10/3/67 and the Sunday Times 19/3/67 where the headline talks of £150m. but the rest of the article brings the figure back to £50m!

general tension. There was for instance Lord Lovat's plan for reclaiming the land from the Beaully Firth which he and other members of Inverness County Council angrily accused the Board of refusing to look into.⁵³ There was the Board's grant to the Loch Ness Monster Investigation Bureau which seems to have brought down general scorn upon their heads.⁵⁴ There was, more seriously, the estrangement of the local press, notably the Inverness Courier. The Courier, an individualistic (even eccentric) paper, had never supported the Board wholeheartedly, but until 1967 it had never been unfriendly to it either; however, on 27th January a leader sarcastically referred to the Board's "genius for developing itself, its staff, its claims, its ambitions, its pronouncements and even its accommodation at a surprising rate"⁵⁵ and in the next issue, with considerable fury if little wit, described them as 'the High-hand Board' which had got 'too big for its boots' and wouldn't 'heed Highlanders own ideas about development'.⁵⁶ The immediate cause of this outburst was the Courier's belief that the Board had a casual and arrogant attitude to the local press and always arranged their press announcements in a way that made it impossible for local papers to publish the story first.⁵⁷

Added together, all these criticisms amounted to a situation in which, if the Courier's claim on 17th February that the Board "seems to be able to do nothing right in the eyes of local people"⁵⁸ is exaggerated, nevertheless their popularity was at a low ebb.

This was the situation when John Gordon produced his short piece on Durham's dismissal. The Board immediately called a press conference, thus

53. Inverness Courier 24/2/67 and Glasgow Herald 10/3/67.

54. Inverness Courier, 17/2/67.

55. Inverness Courier, 27/1/67.

56. Inverness Courier, 31/1/67.

57. The paper had made a similar, though less emphasised, accusation on 22/11/66.

58. Inverness Courier 17/2/67.

ensuring that the incident did not go un-noticed, and the Highlands and Islands Development Board next day reached the headlines of the popular papers, a position they were to keep on and off for the next three weeks. At first little information came out, Durham's memorandum seemed forgotten about and Durham himself refused to say anything except that he believed people have a democratic right to a say in their own future. The Board claimed that they did not wish to be secretive but had to protect confidences; they also considered the possibility of prosecuting Durham under the Official Secrets Act.⁵⁹ In the event this possibility was dropped but the threat probably lost the Board some sympathy in the press.

The meeting of Inverness County Council that week brought some extreme, and in places almost hysterical, criticism of the Board, as well as strong attacks on the petro-chemical complex,⁶⁰ but by the end of the week relative calm returned. Thomson (who in fact had only been obliquely mentioned in the press⁶¹) claimed to have "stepped out" of any situation in which he could be accused of having "a pecuniary interest in the Invergordon situation".⁶² Dickson Mabon having seen the Board stated that all members had correctly declared their interest whenever grants and loans had been concerned⁶³ and after talking to both Durham and Mabon, Alaisdair MacKenzie the Liberal M.P. for Ross and Cromarty declared that he considered the matter now closed.⁶⁴

Unfortunately for the Board MacKenzie was quite wrong and things had only just started. The next turn of the screw was again provided by John Gordon, on 12th March. In his Sunday Express column he insisted that all financial aid to companies in which any Board members had interests should

59. The Times, Glasgow Herald et. al. 6/3/67.

60. The Scotsman, 10/3/67.

61. Express, 7/3/67.

62. Express, 11/3/67.

63. Glasgow Herald, 11/3/67.

64. Glasgow Herald, 13/3/67.

be made public and, in connection with the petro-chemical complex, he asked if Thomson's inside knowledge would not give him a considerable advantage over his potential business rivals. The tone of the article was in fact quite moderate and in other circumstances might have produced nothing more than an unexciting reply from the Board or the Scottish Office politicians. But somehow the atmosphere of deep suspicion and hostility, of widespread belief in plots, counter-plots and secret agreements rendered moderate debate impossible. It is difficult to understand now how such an emotional situation could have been generated, yet it undoubtedly existed,⁶⁵ and it had the affect of making the H.I.D.B. side (for want of a better label) less open than they might have been and prevented their critics from being able to accept a simple answer when it was given.

Throughout the following week the rumours intensified. In the Commons Gordon Campbell put down a written question asking for details of all businesses, in which Board members had interests, that had received H.I.D.B. loans. Replying, Ross would say no more than that the total amount of assistance where interests were involved was £38,187 and had gone to four projects. He would, he said, give details if the businesses concerned agreed. It was an answer that satisfied nobody and it remains uncertain whether this reticence was the result of requests by the members chiefly concerned (above all Frank Thomson) or whether it was Ross's (and/or the Scottish Office's) own choice - on the principle of the less said, the soonest mended. The latter explanation was given forcefully : much later by Thomson himself when he complained bitterly of not being allowed to speak out by Ross.⁶⁶

By the end of the week events had come to a head as a result of two

65. Most of the participants at the time made the point in interviews and it can be seen in the tone of articles in the press.

66. The Scotsman, 28/12/67.

things: the announcement of a declaration of support for Durham by another H.I.D.B. staff member who had resigned earlier and the dissemination, by a process no-one seems to understand properly, of Durham's memorandum to all interested journalists and others. The first point in fact illustrates nothing as much as the disappearance of good sense; although the 'revelations' of Anthony Miller, the staff member concerned, were ^{extensively} reported and even given headlines in the Express ⁶⁷ (which was beginning to emerge as the chief Board-basher) they amounted to virtually nothing. To begin with, despite the impression given that his resignation was somehow connected with the Durham's, it had in fact taken place on 8th February, long before the affair had started. Secondly he added nothing whatever to the facts of the case and merely said that Durham was an 'honourable man' who wouldn't twist the facts for his own end. ⁶⁸ The only two points of interest he did bring up were that he thought himself suspected of being the source of leaks at the time of his resignation, ⁶⁹ and that he disliked the 'factions playing a power game' on the Board. (Presumably a ^{reference} to the split between Rollo and the rest of the Board over the whole M.F.D. issue).

Much more important was the publication of much of the substance of Durham's memorandum in three newspaper articles; two serious ones, one in The Scotsman of 17/3/67 by Magnus Magnusson and David Kemp, the other in the Sunday Times of 19/3/67 by their Insight team (this was the subject of a libel action by Thomson ⁷⁰) both of which also contained background information on Thomson's business career; and a masterpiece of tendentiousness by Charles Graham in the Express of 18/3/67. The memorandum itself is hardly written in

67. Express, 17/3/67.

68. All this emerges from a careful reading of the Express article itself.

69. A point confirmed by Grieve and Robertson.

70. Which has since been allowed to lapse.

a neutral or impartial style and makes a wide variety of charges against Thomson, some of which really seem of little significance (for instance it is claimed that he tried to get himself on the North of Scotland Hydro-Electric Board). The serious charges fall into 3 groups: (i) preferential treatment shown by the Board to Thomson's Companies; (ii) the Board's involvement with Invergordon Chemical Enterprises; (ii) Thomson's ownership of land that might be needed for industry. ⁷¹ Dealing with the Companies first, it has already been mentioned that Polyscot applied for financial assistance shortly before Thomson became a Board member and, soon afterwards, received a grant of £1,500 and a loan of £23,500. As the proper procedure for dealing with cases where Board members have interests was gone through and as, back in November 1966, the Minister of State had assured Robert MacLennan that the Government were convinced that everything had been above board it is difficult to see why this should still have been an issue in March 1967. The memorandum stresses the financial weakness of Polyscot, but why else would a loan have been needed? The Scottish Daily Express, though not the memorandum, also made a fuss about the grant having been paid for a building that was already completed.⁷² As grant applications take some time to be decided upon this is hardly an unusual situation. Another Company, Ross-shire Engineering (Dingwall) Ltd., which had already received a loan of £20,000 from the B.O.T. and had since become a Polyscot Subsidiary also applied for Board assistance. The significant fact in this case however is that it did not get it. Yet another of the Polyscot group, Timber Systems Ltd. was paid £300 to make draft plans and sketch elevations on which an approximate quotation for building the Board's new hotels in the Western Isles could be based. The implication seems to

71. This, and the following details are taken directly from Durham's memorandum which together with most of the 'supporting documents' (i.e. the documents he stole from the Board) he showed me.

72. Express, 21/3/67.

have been that ~~one~~ other company was offered this job, but one of the documents used by Durham to support his memorandum make it clear that Timber Systems was only one of the firms ^{with} which the Board had been in touch. ⁷³ A further charge, not made in the memorandum but brought up in Parliament ⁷⁴ was that the Board brought all its business to a travel agency owned by Thomson. The full story was that the Board had from the beginning used the firm of Duncan Duffy in Inverness as its travel agents and this firm had later been taken over by a trust controlled by Mrs. Thomson. ⁷⁵ Finally there was a hotel bill for £21. 12s which the memorandum claimed had been run up by Thomson but paid for by the Board. Though not all that much was made of it in the press this charge particularly outraged Ross and Grieve who flatly denied it. ⁷⁶

Leaving aside for a moment the question of Invergordon Chemical Enterprises, ^{- the land} the third set of charges against Thomson concerned his ownership of land/in question being Kincaig farm. This farm had been bought originally by a consortium of eight local farmers (including three later on the Easter Ross Land Use Committee) and they had allowed Thomson to join the Consortium in late 1965. Part of his interest was in Kincaig House which stood on the land and became the headquarters of Polyscot. However by late 1966 Thomson was finding his position in the Kincaig Consortium increasingly embarrassing, he had been accused of land speculation and was anxious to extract himself from a position that might be awkward for both him and the Board. Unfortunately for him the other owners of the land were unwilling to let him out for financial reasons (he had earlier agreed to buy Kincaig House and the farmers were relying on this) so that by March 1967 he was still on the Consortium. As he had bought his share of the Kincaig before becoming a Board member and

73. Secretariat Paper No.170.

74. H.C. Deb, Vol. 743, cols.1927.

75. Ross in H.C. Deb, Vol.743, col. 1927.

76. Inverness Courier, 24/3/67.

as his attempts to get out of the Consortium towards the end of 1966 were quite genuine (Durham's memorandum, hardly biased in Thomson's favour, makes this clear) his conduct was not particularly disreputable. However, by claiming on 10th March that he had 'stepped out' of any situation in which he could be accused of having a pecuniary interest in the petro-chemical complex although he was still in the Kincaid Consortium he left himself open to attack. According to the Sunday Times (this point is not in the memorandum) he left himself open to attack on another score as well: in a sort of promotional report concerning the petro-chemical complex he claimed to have an option on a 1,200 acre site near Invergordon but all the owners of the land shown on the accompanying plan denied giving him such an option.⁷⁷ This point is not very relevant to Thomson's position as a Board member but it helped to cast general suspicion on him.

Finally there was Invergordon Chemical ^{Enterprises} and Thomson's role in setting up a petro-chemical complex. When Thomson became a member of the Board and ceased to be managing director of Invergordon Distillers⁷⁸ (the two things happening quite close together) he brought with him the study he had previously commissioned on the feasibility of a petro-chemical complex. Invergordon Distillers later complained to the Board that they were in possession of the Company's private property, and the Board hurriedly returned the study. This was perhaps the most serious personal crime that can be definitely laid at Thomson's door. The main drift of the argument in Durham's memorandum however developed a much more serious line: namely that the Board were spending, or committing the Government to spend large sums of money to make Invergordon Chemical Enterprises a going concern and that this would directly benefit Frank Thomson. It is true that Invergordon Chemical

77. Sunday Times, 19/3/67.

78. Durham claimed that he was sacked (p.2 of the Memorandum).

Enterprises (which would have presumably been a British subsidiary of Occidental), if financed in the way suggested, i.e. 40% of the capital from investment grants and other government aids, would have meant a massive expenditure (£20m.) by the Government to say nothing of infrastructure. But it is not true that the Government was in any way 'committed' (as suggested by the Memorandum) by H.I.D.B.'s negotiations with Occidental; the decision would have had to be made at Cabinet level. Secondly, none of the studies commissioned by the Board, except one concerned with fertiliser distribution, were concerned with a petro-chemical complex as such; they were all relevant to general industrial development of the Cromarty Firth. Furthermore neither the memorandum nor the newspaper articles based on it seemed able to show any way in which Thomson's activities relative to setting up a petro-chemical complex were underhand:⁷⁹ he had been committed to it when he was appointed to the Board and he had made no bones about remaining committed to it afterwards.

Nevertheless, if Thomson cannot be fairly accused of corruption on the evidence given (and this surely was what all the rumpus was about), he obviously did hope to gain something out of a petro-chemical complex. Just what it was becomes clear in Ross's speech announcing his resignation. Ross said that Thomson was not able to promise that he would not accept an appointment in the new chemical company, should it materialise, and he had therefore resigned.⁸⁰ The implication must be that Thomson was hoping for such an appointment and therefore there really was a situation in which a member of a public body was in a position to make private gains by the actions

79. The memorandum is in fact full of dark hints but it is impossible to say that they establish Thomson's venality. In fact they are rather insubstantial - such as the much stressed point about the size of the fee paid to Dr. Jenkins, first as a Proplan employee than as a private consultant.

80. H.C. Deb, Vol. 743, cols. 1924-5.

of that body. There is a genuine problem here: was Thomson to be expected to give up his pet idea of a petro-chemical complex - a project that was at least ~~arguably~~ for the good of the Highlands as a whole - just because he had become a member of the Board? Or was the real fault, as the ~~Conservatives~~ were to claim, Ross's for appointing him in the first place.⁸¹ But does this mean that no entrepreneurs should be allowed to serve on a development board for fear of a clash of interests? The answer must depend on the balance that is struck between the desire to utilize entrepreneurial talents and the concern over individuals in a public position being able to further their own interests.

From this time that the contents of Durham's memorandum began to be made public, press attention was firmly fixed on the Board, the lead being taken by the Scottish Daily Express crusading under the banner of "letting the people know the truth." A full statement by Thomson on 20th March concerning the Polyscot group and its many off-shoots did little to dampen things down.⁸² Seven Conservative M.P.'s led by Noble demanded a statement by Ross. For the Liberals, Alaisdair MacKenzie claimed that there was a rift between the Board and the people of the Highlands, and Russell Johnston criticised the Board's handling of the whole affair. But the nadir of H.I.D.B.'s fortunes came when even the two Highland Labour M.P.s, Malcolm Macmillan and Robert MacLennan sharply accused them of lack of judgement.⁸³ After emergency meetings between Thomson, Grieve and Ross in London the drama moved to its almost inevitable denouement when Ross announced Thomson's resignation to the House of Commons on the 23rd. The ostensible reason for the resignation has already been mentioned but it is not unlikely that Ross also considered the sacrifice of Thomson necessary for the survival of the Board. In his statement

81. See Campbell in H.C. Deb, Vol. 743, col. 1929.

82. The Express, 21/3/67.

83. Glasgow Herald, 20, 21 and 23/3/67.

Ross gave details of the four businesses receiving Board assistance in which members had declared interests - though as regards Thomson this was hardly news now. ⁸⁴ In reply the Tories demanded a White paper to clear up the whole issue and attacked the original appointment of Thomson as 'unwise' both because of his "commercial entanglements" and because he had shortly before he became a Board member "publicly declared his full support for the Labour Party". ⁸⁵ (In fact he had declared support for Labour only after being made a Board member; the idea that he was "a political appointment" was discussed and rejected in chapter 4).

After the resignation of Thomson the pressure on the Board was considerably eased but it was not the end of their troubles. To begin with, the petro-chemical complex, with or without Thomson, still had its enemies. Sir John Brooke, a former engineer and ~~one~~ by 1967 a landowner and Deputy-Lieutenant of Ross and Cromarty, had written an article for the Express declaring that a modern petro-chemical plant at Invergordon was not the sort of industry the Highlands needed as it would be fully automated and would employ few people. In his view H.I.D.B. should not "set themselves up as sponsors and advocates of certain types of factories". ⁸⁶ (Rather a caricature of their position). More importantly, Hugh Fraser M.P., Lord Lovat's brother, wrote a long and technical letter to both The Scotsman and the Inverness Courier setting out what was surely the position of the British Chemical industry. In it he claimed that two-thirds of the revenue of the petro-chemical complex would depend on fertilisers for which there was a weak world market, prices for urea and compounds having dropped by 30% in the last 12 months. Furthermore "a formidable combination of geography, nationalism and crude economics is tending to/centre

84. H.C. Deb, Vol.743, col. 1923. The other members concerned were John Robertson and, in a very minor way, Prophet Smith. Robertson's interest in R.T.S. Potatoes, a firm receiving Board assistance, was the subject of a smear in Private Eye, 31/3/67.

85. H.C. Deb, Vol.743, col. 1929.

86. Express, 14/3/67.

the industry's growth at the oil-well head" or near other raw materials, with the result that in the long term fertilisers would be more cheaply produced in Africa and the Middle East and the industry was therefore threatened with over-production. In his view Occidental's interest in the project stemmed from the fact that it had a lot of raw materials for which it had no market and would be only too glad to dump them in Britain to be used by a production plant largely financed by others.⁸⁷ The fertiliser argument was at least debatable as only 10 days later Lord Beeching for I.C.I. admitted that there was not a surplus of fertiliser production capacity.⁸⁸ What is more certain is that the British chemical industry was not happy about Occidental's plans.

Only two days after Fraser's letter was published the Board received another jolt from a quite different quarter: on 6th April the County Planning Officer for Ross and Cromarty resigned with 3 of his staff, claiming that the Invergordon project was shrouded in secrecy and that they were not involved enough in the consultation process.⁸⁹ However in an article written later it appeared that the Planning Officer put the blame not so much on the Board themselves as on an administrative structure that separated planning from development.⁹⁰ At the same time the House of Lords was having its dig at the Board. During a debate on land use in the Highlands, Lovat launched a vigorous attack on them, demanding that the whole Board be 'reshuffled' as their proposals were 'entirely incompatible with the Highland way of life'. Similarly the Earl of Cromartie and the Duke of Atholl, while saying that they supported the idea of a Board, expressed dislike of the way in which the present one was going about its business.⁹¹

87. The Scotsman, 4/4/67.

88. The Times, 14/4/67.

89. The Scotsman, 7/4/67.

90. The Scotsman, 8/4/67.

91. H.D. Deb, Vol.281. Debate on Land Use in the Highlands and Rural Areas, 5/4/67, col.1004-11, 1018-20, 1965-6.

Such opponents were perhaps more useful to the Board than otherwise for with the lairds against you, support from other quarters is certain. Sure enough the Federation of Crofters Unions sprang to the Board's defence, and accused the "landed gentry" of conducting a vendetta against them; ⁹² a statement which in turn caused the Highland Committee of the Scottish Landowners Federation to declare that they were pledged to ^{co-}operate with H.I.D.B. ⁹³ The General Council of the S.T.U.C. took much the same line as the crofters: the landowners were responsible for the attacks of the Board because they did not want to see any change in the Highlands. ⁹⁴ As the dust began to settle it soon appeared that the Board were not quite so friendless as they had once seemed. In fact even before Thomson's resignation public support for the Board had come from the Councils of Social Service of both Mull and Iona and Shetland - the latter reiterating the point a few days later. ⁹⁵ At the Scottish Labour Party Conference at the end of March, despite Grimble's vigorous condemnation of all members of the Board except Rollo, the majority seemed more inclined to believe that the responsibility for the crises lay in the machinations of the Scottish Daily Express, the Conservatives and Aims of Industry. ⁹⁶

Ross and Cromarty County Council had been in favour of the petro-chemical complex from the time it was first put to them and continued to support it throughout. On the 9th March their Planning Committee recommended the re-zoning of Inverbreakie farm for industry. ⁹⁷ and at the full Council meeting on 19th April, after giving overwhelming support (with only two councillors expressing reservations) to H.I.D.B., they formally

92. The Scotsman, 10/4/67.

93. Glasgow Herald, 12/4/67.

94. Glasgow Herald, 13/4/67.

95. Glasgow Herald, 21/3/67, 24/3/67 and 28/3/67.

96. Express, 1/3/67 and 3/3/67.

97. Glasgow Herald, 11/3/67.

decided to submit the relevant amendment of their Development Plan to the Secretary of State for approval. Shortly afterwards a crowded public meeting was held at Invergordon at which a unanimous resolution welcomed the petro-chemical complex and any other industry to the town and supported the Board. ⁹⁸

In the event any welcome for the complex was premature as it was not to materialise. Whether the Kellog study had come to the conclusion that a petro-chemical complex was not really feasible at Invergordon or whether Occidental had been discouraged by the sharpness of the controversy is not certain. Thomson in two speeches implied the latter. On 27th June he stated that he expected Occidental to give up their petro-chemical complex idea because of 'lack of confidence' and towards the end of 1967 he mentioned that he had been in contact with Dr. Hammer of Occidental and they agreed to let the aluminium companies (see below) do the trail blazing. ⁹⁹ Whatever their reasons, when June came round - the time they had agreed to submit any proposals they might have - Occidental had not got in touch with either the Board or the Government. On 29th June a Guardian article appeared which claimed that the Kellog study had found the project financially worth while for Occidental, given generous support by the British Government, but that the Scottish Office had decided not to allow the complex "for at least two years" because of the large sums of money involved. ¹⁰⁰ The Scottish Office hurried to deny this report, claiming that as they had had no proposals they were "not in a position to accept or refuse. ¹⁰¹ It is quite possible that both sides were correct - the Scottish Office had not received any proposals but had it done so and they required the expenditure

98. Express, 20/4/67 and p.5 of the 1968 Public Enquiry Report.

99. The Scotsman, 27/6/72 and Highland News 29/12/67.

100. Guardian, 29/6/67.

101. Glasgow Herald, 30/6/67.

of as much money as had been implied in the original Board - Occidental agreement then they would, as the Guardian claimed, have turned them down. As no proposals ever came the issue remained hypothetical. ¹⁰²

The controversy over the petro-chemical complex produced opposition to and criticism of the Board, its activities and individuals connected with it, for a very wide range of different reasons. First there was the objection to M.F.D. as a whole: made by those who, like Rollo, were concerned that it would be a 'magnet' drawing people from the remoter areas; or by those who disliked the idea of industry or urban developments changing the way of life of the area (as mentioned above this view is expressed by the Inverness Courier); or because, as with the Glasgow Herald, it was considered that big industry was 'not suitable' for the Highlands. ¹⁰³ (The implication being, perhaps, that if anything big was going it should go to the Lowlands). Secondly there were those who took the position that industry was acceptable provided that it did not use up land already intensively used for agriculture. Thirdly there was the quite specific opposition to a petro-chemical complex either because such a project was undesirable in itself or because it was to be run by an American Company in effect subsidised by the British Government. Opposition on this score was represented by Hugh Fraser. Lying alongside and threaded through these general objections was a personal dislike of Thomson found in many quarters: he was seen as a pusher, a publicity-hunter, a parvenu, a single-mindedly self-interested man concerned only to feather his own nest at anybody's expense, and a "political appointment" to the Board. In addition at the very lowest point of the Board's fortunes, we have those critics who, while basically friendly both to the Board and industry in the Highlands, were nevertheless worried about possible clashes of public and private

102. Another possibility suggested in the Guardian of 6/7/67, was that Occidental were waiting for some sort of go-ahead from the Government. The Corporation however refused either to confirm or deny this, and it does conflict with the original Occidental - H.I.D.B. agreement.

103. Glasgow Herald, 4/4/67.

interests or thought the Board were being too secretive.¹⁰⁴ At the other end of the scale there were people like Lovat who, quite apart from the "Thomson affair", had a very poor view of the Board's members as a whole and wanted to see them replaced. Finally to round things off, there were the Conservative leaders, more concerned to direct their attacks at Ross than at the Board, and the press - more especially the Express - who knew a good story when they saw one and did not mind much who got hurt in the process of dragging it out.

With such a variety of critics and opponents and so many levels of attack why was the Board not destroyed? It certainly seemed to be close to it in those March days just before Thomson's resignation. At least three reasons can be offered. Firstly, though the critics had the upper hand in terms of publicity, there was always a solid core of support from those who saw the Board as 'their Board' either because, as with S.T.U.C., it was to an extent their baby or because, like the Shetland Council of Social Service, they saw it as giving very real help to them; from those who perceived the opposition to the Board as some frightful cabal of landowners and assorted reactionaries; and from all those people in Easter Ross who were enthusiastic about the possibility of petro-chemical complexes or indeed anything else that might mean jobs. Secondly was the fact that Grieve determined to sit out the storm. But the third and most important reason why the Board was not destroyed was that nobody wanted to destroy it - or if they did they kept quiet about it. The most that the severest critic demanded was that there should be a complete change of membership and with it a change of priorities. Nobody at this time seems to have challenged the very idea of having a Board.¹⁰⁵

104. e.g. the Liberals.

105. The Times of 14/4/67 said there were people "who want no Board at all" but did not name them.

One of the most interesting features of the controversy was the inability of either side (it is of course an oversimplification to think in terms of two 'sides' though many of the actors themselves seem to think in such terms) to admit the sincerity or good sense of the other. And in the atmosphere of deep mistrust both sides said and did things that could only inflame the suspicions of the other. (This is perhaps a general feature of political conflict). To those opposed to the petrochemical complex Frank Thomson was of course the blackest of characters, a man solely interested in private gain, but the Board as a whole did not come off much better - it was a sort of megalomaniac bureaucratic body determined to impose its view of development whatever the ideas of local people.¹⁰⁶ Grieve in particular was an 'urban planner' who neither understood nor was sympathetic to rural life and had to turn Easter Ross into an urban area so that he could 'plan' it;¹⁰⁷ more extreme still, Thomson, understanding Grieve's need to 'plan' things (apparently a compulsive condition), was able to manipulate him. The Board and its allies were little kinder to their opponents. Grieve publicly reflected that all the fuss about land use being made by the Easter Ross farmers was probably only a way of pushing up the amount of compensation.¹⁰⁸ It was suggested that the opposition to industry among farmers and landowners sprang from the fear of having their position on the top of the

106. See Inverness Courier, 31/1/67 and Jean Forsyth's letter to The Scotsman of 28/1/67. Incidentally in the eyes of Board members the David and Goliath roles were reversed - they were the smaller side fighting against a powerful combination of opponents.

107. This sort of accusation occurred at the meeting of Inverness County Council reported in The Scotsman, 10/3/67.

108. Glasgow Herald, 7/3/67.

social ladder displaced by the incoming managers and professional people that industry would inevitably bring.¹⁰⁹ Finally the local objectors were the dupes of "sophisticated entrepreneurs out to smash a potentially formidable rival."¹¹⁰ Men's motives being mixed some of these accusations from one side or the other probably contain elements of truth, but all caricature the position of the people they attack.

Mention of the "sophisticated entrepreneurs" using local people raises another interesting point thrown up by the controversy: the widespread belief in undercover machinations and secret deals. Many of the opponents of the complex were obsessed with the idea of 'secret agreements' between Thomson, Occidental and the Board;¹¹¹ what these agreements might have consisted of (unless it was that Thomson had been promised the managing directorship of any chemical company that might emerge) was never made very specific. Besides, without substantial government assistance the project had no hope of viability and such assistance would have required cabinet approval whatever 'agreements' had been made.

However it was on the pro-Board side that conspiracy spotting was really allowed the free play of imagination.¹¹² At their first press conference after Durham's dismissal had become public, a spokesman for the Board declared that 'a small group put him up to it', a statement which the Easter Ross Land Use Committee naturally understood to refer to them as the only small group then involved, and threatened to take legal action.¹¹³

109. A motive mentioned in The Times, 25/2/67 and firmly believed by several Board members.

110. The Times, 14/4/67.

111. See for instance Sunday Times, 26/3/67.

112. The full trappings of conspiracy including phone-tapping and a strange story of some anonymous person creeping around a hotel at night to push papers under Lord Strathclyde's (Chairman of N.S.H.E.B.) door are brought out splendidly by The Times on 14/4/67. John Robertson still insists the Strathclyde story is true.

113. The Scotsman, 7/3/67.

In fact there is no evidence that E.R.L.U.C. were involved (though some members were Durham's friends and his wife's relatives) and Durham specifically denies being 'put up to it' by anyone. At the Scottish Labour Party Conference, it has already been mentioned, gossip had it that the plotters against the Board included Aims of Industry, the Conservatives and the Scottish Daily Express. Aims of Industry (who played no part in the episode) and the Conservatives (who took a fairly moderate line) can be exempted but the Express seems a more likely candidate. Yet the Express had originally supported the Board and was to do so again, it had welcomed Thomson's appointment and been enthusiastic about the petro-chemical complex,¹¹⁴ so what was it against? It is difficult to resist the conclusion that the Express just liked dirt, without bothering too much to check whether the dirt might be in fact quite wholesome soil. The paper declared itself (after the accusations at the Labour Conference) 'in league with nobody' and once again there is no evidence to the contrary.¹¹⁵ The Federation of Crofters Unions and S.T.U.C. blamed 'landowners' (unspecified) for being behind the whole attack of the Board (see p227 above) but the Board's sympathisers further south were even less specific: the New Statesman thought the affair was perhaps intended to seriously damage 'the only example of real socialist planning put into practice since 1964' without naming the villains.¹¹⁶ The Guardian, apparently unaware that literacy had spread so far north, considered that Durham's memorandum "was so expertly assembled that it suggested skilled activity possibly beyond the range of Easter Ross farmers."¹¹⁷ Others were not content with such

114. Express, 19/1/67, 3/4/67 and 8/7/67.

115. Express, 3/4/67.

116. New Statesman, 31/3/67.

117. Guardian, 23/3/67.

obscure hints; a long time after his resignation Thomson blamed "private monopolistic interests" outwith the Highlands for thwarting development ¹¹⁸ and the Times had left no doubt as to who these interests were: the big British Chemical companies (those "sophisticated entrepreneurs" mentioned above). ¹¹⁹

The idea that the chemical or oil concerns played a part in the whole crisis needs to be looked at if only because it was strongly believed by Board members other than Thomson. ¹²⁰ It can hardly be denied these companies were unhappy about the possibility of Occidental starting up a petro-chemical complex: an I.C.I. representative had seen Rayne and Thomson about it (p. 207 above); in June 1966 Thomson had claimed to have chemical companies up and down the country worried; ¹²¹ and shortly after Thomson's resignation Hugh Fraser had attacked plans for a complex. No doubt, had Occidental submitted their proposals to the Government, the British companies would have made their views very clear, ¹²² and perhaps they would have tried to make it difficult for Invergordon Chemical Enterprises to find finance in Britain. The point however is that no proposals were ever submitted so at what point did the chemical companies have a chance to take action? My personal conclusion is that the seeds of the whole affair lay in the personalities of Frank Thomson and Phil Durham; they germinated because Durham decided to keep a dossier on Thomson's business activities and write a memorandum about them; they came into flower because this memorandum got to the press in a fairly dramatic situation, the press raised a hue and cry and (to switch metaphors) an enormous amount of smoke issued from a very small fire. Occidental's plans for a petro-chemical

118. The Scotsman, 28/12/67.

119. The Times, 14/4/67.

120. e.g. Grieve and Robertson. Both are still inclined to believe that their opponents in this and later episodes got money from big business.

121. Observer, 5/6/67.

122. Perhaps they had already done so hence the Guardian report of 29/6/67.

complex did raise a number of major issues - international competition in the chemical industry, Government support of foreign companies that pose a threat to British ones, and, more locally, good land use but none of these played any real part in the events leading to Thomson's resignation.

That the 'Thomson Affair' was above all a newspaper storm is indicated by the nearly complete lack of further comment after about the middle of April despite the fact that few of the serious issues had changed. The exception was the debate on the Board in the Scottish Grand Committee in July when the Conservatives revived, with^{out} very much passion, the old charges about Thomson's 'pecuniary interest' in a petro-chemical complex. But nothing more came of that, and it was perhaps no more than a good political stick with which to beat the Secretary of State.¹²³ Anyway by this time the unfortunate Highland Board had staggered into quite a different crisis:¹²⁴ the resignation of a second member, John Robertson, after a conflict with the Scottish Office also rooted in the issue of Moray Firth Development.

Conflict with the Scottish Office

The attitude of the Scottish Office to M.F.D. is perceived differently by different people; they themselves deny that they were ever against the idea as such, but they undoubtedly lacked the Board's enthusiastic commitment, had doubts about scale and timing, and were embarrassed by the

123. House of Commons Standing Committee Reports, Session 1966-67, Vol.XII; Debate on Scottish Estimates by Scottish Grand Committee, 11/7/67.

124. And Thomson had troubles of his own. All the fuss surrounding him caused confidence in companies associated with him to decline sharply. Later in 1967 the whole Polyscot Group collapsed. Thomson got a job with an American company concerned with tourism and emigrated in 1968.

'hullabaloo' that had broken out. These hesitations alone were enough to bring them into conflict with Robertson who as the Board member in charge of M.F.D. was a passionate exponent of the idea and had no sympathy for Civil Service caution. This caution was manifested in connection with the Jack Holmes Report, the massive study commissioned by the Board dealing with the physical planning aspects of M.F.D. The Scottish Office were deeply concerned at the expense of the study and tried to induce the Board to have second thoughts. Grieve however refused to budge and in the end made his point.

The issues that precipitated Robertson's resignation were once again on the grand scale. One of the most attractive baits the Board hoped to use in bringing large industries to the Moray Firth was the provision of cheap power. Dr. Jenkins for Proplan had originally suggested a cost of under $\frac{1}{3}$ d per unit and the Board had commissioned the Consulting Engineers, Merz & McLellan to investigate the possibilities. Using power from a purpose built nuclear reactor the engineers decided it could be done - provided that the industrial concerns were only asked to pay for the electricity specifically produced for them. In other words the national policy of 'averaging' by which each consumer pays the same average price to cover the costs of generation and distribution (and therefore consumers in remote areas, where distribution costs are expensive, are subsidised) would have to be breached. On 6th June 1967 the Board submitted a formal proposal to the Secretary of State concerning 'competitively priced power for special industrial development in the Moray Firth area'.¹²⁵ The Board's hopes to turn the Moray Firth area into a 'cheap power' zone were to be disappointed, but their proposal was not rejected outright. The official reply from the Secretary of State was

125. H.I.D.B., 1967, Appendix IX.

that "in view of the major issues of national policy involved, the question of electricity supplies for power intensive industries was under active consideration by the Government."¹²⁶ As it happened this was to turn out to be something more than an anodyne, though it must have seemed like one at the time.

Another project was closely connected with the provision of cheap power: the provision of an aluminium smelter. As early as mid-1966 the Board had contacted British Aluminium who at that time had shown little interest. While in the U.S.A. on a visit to Occidental in December a Board party had also got in touch with Alcan, the Canadian Aluminium Company. Here they met with a more positive response and by early May that company had already made a number of specific proposals to the Board, who were however told by the Scottish Office to take the negotiations no further as "great issues of policy were involved."¹²⁷ By early July with the prospects of any further action by Occidental receding and the cheap electricity and Aluminium smelters taken firmly out of the Board's hand, the possibility of making much more progress with M.F.D. must have seemed to the Board to be declining. The more patient members ^{were} prepared to wait and see, the less patient - John Robertson - to force the issue. Rumours reached the papers that he would resign if the Government backed down on the petro-chemical project and he launched an attack on Sir Douglas Haddow, the permanent Under-Secretary of State, ¹²⁸ later portrayed by him as the villain of the piece and against Highland industrialisation. ¹²⁹ Ross visited the Board to try and smooth things out and get a retraction from Robertson

126. Ibid.

127. Glasgow Herald, 21/8/67.

128. Glasgow Herald, 4/7/67 and Inverness Courier, 4/7/67.

129. Express, 6/9/67.

of his attack on Haddow, but to no avail. Robertson refused to apologise and resigned.¹³⁰

This was not the first resignation the Board had suffered over relations with the Scottish Office. In early April one of their Staff, Roy Brown (Chief Management and Accountancy Officer) who had a commercial background, had also left, complaining of Scottish Office control.¹³¹ In June, Frank Thomson (no longer connected with the Board of course) bitterly described the Scottish Office as those "loving Victorian parents who insist on knowing what is best for their youngest child".¹³² All this evidence of friction between H.I.D.B., especially the more commercially minded part, and the Scottish Office naturally provoked speculation over their future - speculation that was increased by the announcement of two new members to replace Thomson and Robertson, as these two new members, Sir James Mackay, a former civil servant and Tom Fraser, both seemed to represent a central government point of view. It was also thought by many at the time that a new procedure, introduced in the Spring of 1967, in which the Board sat as a "General Purposes Committee" making recommendations to itself as a full Board represented a tightening of Scottish Office control;¹³³ in fact it was only a minor technical alteration introduced to speed up decisions on grants and loans (see chapter 5). Altogether it was suggested the Board was about "to become powerless"¹³⁴ or simply "a grants and loans sub-agency of St. Andrews House".¹³⁵ This was over-dramatic but when the Minister of State, ^{Dickson} Mabon, declared in a speech at the end of August that H.I.D.B. did not have the money or expertise for multi-million pound projects and that their business was 'small concerns',¹³⁶

130. Express & Glasgow Herald 13/7/67.

131. Glasgow Herald, 12/4/67.

132. The Scotsman, 27/6/67.

133. Express, 23/5/67 and The Scotsman, 14/7/67.

134. The Scotsman, 14/7/67.

135. Glasgow Herald, 21/7/67.

136. Express, 31/8/72.

it definitely seemed that the Board was having its scope firmly limited.

Mabon's speech placed the Board in the centre of yet another row, mercifully their last in 1967, only this time the tenor of public opinion was definitely on their side. From the local Labour and Liberal parties to the Inverness Courier and the Scottish Daily Express the idea that the Board should be limited to 'little things' was strongly deprecated.¹³⁷ Frank Thomson claimed that it was the work of Sir Matthew Campbell (Secretary of D.A.F.S.) and Sir Douglas Haddow who had never liked the Board and were hiding behind Ross and Mabon;¹³⁸ John Robertson also put the blame on a 'small clique of senior officials'¹³⁹ (specifically mentioning Haddow). The Board's staff sent a telegram to Grieve (away at a Conference in Europe) urging him to continue to 'think big'.¹⁴⁰ Whatever had been the intention of the speech it had met a barrage of opposition. Mabon himself claimed to have been misunderstood - there was no question of the Board's sights being lowered or a change of policy towards them, he had only meant that when projects involved millions of pounds they must necessarily be considered by government departments.¹⁴¹ After a meeting between Ross, Mabon and Grieve at which the Ministers declared their support for the Board and Grieve said that H.I.D.B. will be pressing on with projects large and small,¹⁴² the controversy petered out, though not before a final comic touch when Alasdair MacKenzie (the M.P. for Ross and Cromarty) asked the Parliamentary Commissioner for Administration to investigate

137. Express, 2/9/67 and Glasgow Herald, 4/9/67.

138. Express, 5/9/67.

139. Express, 6/9/67.

140. The Scotsman, 2/9/67.

141. Glasgow Herald, 5/9/67.

142. Express, 8/9/67 and 9/9/67.

whether
 / the Scottish Office were hampering the Board's work. He refused.¹⁴³

Whether Mabon's words were in fact innocuous or an accurate expression of official feeling hastily abandoned in face of hostile criticism and impossible to determine with any certainty but the consensus of opinion among those connected with the Board rather ^{favours} ~~forms~~ the latter view.

While there seems no doubt that the friction between the Board and the Scottish Office over M.F.D. did go deeper than the clash of differing personalities it is not at all easy to see where the lines of battle were drawn. The Scottish Office accepted that general principle of M.F.D., (at least at the vague and abstract level of the 1966 White Paper on the Scottish economy), the role of the Board in investigating the area's possibilities and promoting it, and the fact that the Board needed a certain amount of independence. The Board for its part could hardly deny that any major commitments or large expenditures as well as overall control were the responsibilities of the departments. But somewhere in between these fixed points lies the 'grey and bloodless ground of bureaucratic warfare'. The issues presented for battle included how much the Board could spend on research and promotion without check; how far they could go in their relations with interested companies like Occidental and Alcan; what industries were 'suitable' for the Highlands - Grieve claimed that "Civil Service planners in Edinburgh"¹⁴⁴ were against situating large industries there; at what point did considerations raised serious issues of 'national policy' and hence ^{went} ~~go~~ beyond the Board's scope; and how much independence they should be allowed in general.

143. Glasgow Herald, 23/9/67.

144. Sunday Telegraph, 14/1/68. There is a time factor at work here. Whatever they may have thought before, in the course of 1968 the Scottish Office was prepared to accept big industry in the Moray Firth area - as we shall see when looking at the aluminium smelter episode.

Miles' law tells us that 'where one stands depends on where one sits',¹⁴⁵ what looks like an exceptional degree of autonomy from St. Andrews House can seem like tight control in Inverness. While to the Board it seems that they had a tough battle to get anywhere with M.F.D., the Scottish Office might see themselves as merely exercising a normal degree of caution.

It cannot really be said that the Board was in much danger of 'becoming powerless' (or more powerful) as a result of their tribulations in the first nine months of 1967. What had happened was that their position was better defined. The fears that were expressed in the summer of that year were mostly groundless: because MacKay was an ex-Civil Servant it did not mean that Civil Service control was increased; MacKay sitting in Inverness saw things from that standpoint. Similarly, as events were to show, the policy of M.F.D. though buffeted by the resignations of Thomson and Robertson and the Mabon controversy, was still alive and kicking. But it still had no positive achievements to its name and before it could enter the next stage a decision quite unconnected with the Highlands was required.

The Aluminium Smelter, Grampian Chemicals and Land Use Controversies

This decision came when Peter Shore announced that the Government wanted a British Aluminium industry established and it was taken a step¹⁴⁶

145. See chapter 1.

146. The Times, 21/9/67. Much of the story concerning the development around Invergordon from this date onwards can be found in a dissertation by Sandy Walkington called "Invergordon - White Hope or Elephant for the Highlands" (Cheltenham College Press, 1972).

further when Harold Wilson told the Labour Party Conference in October 1967 that they would build power stations linked to the aluminium smelters¹⁴⁷ - some sort of arrangement like this being necessary if power were to be provided cheaply enough to attract Aluminium Companies. Alcan was not the only such company to show an interest in building smelters in Britain. British Aluminium had come round to the idea by the spring of 1967 and was also interested in a site at Invergordon. Quite independently, Rio Tinto-Zinc had proposed setting up a smelter in Anglesey, taking power from a nuclear power station. The advantages to the Government of setting up an Aluminium industry were that it would lower the country's dependence on imports and would assist the development areas (where the smelters were to be placed); the difficulties were that cheap power had to be provided and that it would cause trouble within Efta.

Thus began a rather complicated struggle which raised a number of issues many of them quite unconnected with either the Highlands or the Board. First there was the question of which companies should be allowed to build smelters; to begin with there were five in the race; Rio Tinto - Zinc, Alcan, British Aluminium, Alusuisse and Impalcan - but the last named (a company controlled jointly by I.C.I. and Alcoa) very quickly dropped out.¹⁴⁸ British Aluminium and Alcan were both likely candidates because they had British based fabricating capacity.¹⁴⁹ RT-Z were favoured as the only purely British owned Company - even though they had no foothold in the aluminium industry. There was the issue of how the cheap power was to be provided: the Government favoured advanced gas-cooled reactors and carried B.A and R.T.-Z with them.¹⁵⁰ Alcan how-

147. The Scotsman, 5/10/67.

148. The Times, 16/10/67 and 3/11/67.

149. The Times, 3/11/67.

150. The Scotsman, 25/7/68.

ever managed to throw the whole plan into confusion by proposing to build a (much cheaper) coal-fired generating station and gained an enthusiastic ally in the National Coal Board. (It is obviously very difficult for a Labour government to reject outright any plan that is very advantageous to the coal industry). As the Coal Board agreed to sell coal to Alcan at a lower price than they were selling it to the electricity boards (a result of new pricing policies), not surprisingly the latter were unhappy about the idea.¹⁵¹ Then there was competition between development areas as to who should get the smelters. The Highlands were never in too much danger of losing out here, as both B.A. and Alcan had fixed on Invergordon as their first choice, had taken options on land there and later fought side by side in a public enquiry to get the land rezoned (see below) - all of which gave a powerful fillip to M.F.D. Finally there were objections from Norway which claimed that the plans to set up a British aluminium industry were a breach of E.F.T.A. agreements because they involved state subsidies.¹⁵²

The Government had originally planned to give a decision on the smelters by early 1968 but because of all the complexities the final agreement did not come until late July by which time Alusuisse had also dropped out of the race. The other three companies were all allowed to build smelters. R.T.-Z. and B.A. got very similar deals, the former in Anglesey as they had always intended, and the latter at Invergordon. The B.A. smelter was to have a capacity of 100,000 tons annually and to employ about 650 people; the company would get a £29m. loan from the government which it would use to pay the electricity board for generating capacity and in return would buy the electricity it consumed (generated

151. The Scotsman, 12/2/68.

152. The Times, 12/10/67.

at Hunterston "B") at the cost of its production - i.e. no averaging.¹⁵³
 The agreement was signed at the end of July/^{by} which time Alcan had been
 given what looked like a consultation prize (both to them and to the North
 East of England): they were to be allowed to build a much smaller smelter,
 using a coal-fired power station, at Lynemouth in Northumberland.¹⁵⁴

Once they had succeeded in interesting both B.A. and Alcan in
 Invergordon the role of the Board in the smelter decision was minimal.
 Yet if no smelter had come to the area the policy of M.F.D. would have
 looked very shaky and in the interview with the Sunday Telegraph in which
 he stated that 'civil service planners in Edinburgh' resented the idea of
 large industries in the Highlands, Grieve hinted that he might resign should
 no smelter come to Invergordon.¹⁵⁵ With hindsight it is possible to
 say that as soon as Shore had made his announcement about a British
 aluminium industry such a negative outcome was unlikely. But there was
 one local hurdle that had to be cleared - getting the land re-zoned for
 industry-and in this H.I.D.B. fought with B.A., Alcan and Ross and
 Cromarty County Council on one side of the public inquiry; on the other
 were the Easter Ross Land Use Committee supported by the N.F.U. and a number
 of private objectors.

The land use question had been raised before there was any talk of
 smelters on the Cromarty Firth. It had come up when Occidental first
 started making serious moves and Inverbreakie had been selected as a likely
 site for a petro-chemical complex. The Easter Ross Land Use Committee had
 been set up (see p.211) with the aim of opposing the loss of good arable
 land to industry. In order to establish firmly just what was good arable
 land they commissioned Hunting Technical Services to survey the Invergordon

153. The Times, 25/7/68 and 7/11/68.

154. Glasgow Herald, 24/7/68.

155. Sunday Telegraph, 14/1/68.

area and their report, together with one by the North of Scotland College of Agriculture, established without a shade of doubt that the land around Invergordon being considered for industry was excellent by any standards and remarkable for the Highlands.¹⁵⁶ The core of E.R.L.U.C.'s argument was that good development meant balanced development, not merely industrialisation and that with such a dearth of good arable land in the Highlands the sterilisation of any of it would mean imbalanced development. The County Council and the Board had not been nearly active enough in looking for alternative sites for industry that would not mean destroying good land.¹⁵⁷ This argument convinced farmers: in May 1967 the Agricultural Executive Committee of the Highlands¹⁵⁸ officially opposed Ross and Cromarty County Council's decision to recommend the re-zoning for industry of 300 acres near Invergordon (i.e. Inverbreakie)¹⁵⁹ and when it came to a Public Enquiry the N.F.U. supported E.R.L.U.C.

However neither Ross and Cromarty County Council or H.I.D.B. were persuaded. They were moved by quite a different picture: the dearth of manufacturing industry in the Highlands as a whole and Easter Ross in particular, ^{meant} an over-dependence on primary industries; the decline in demand for labour in the agricultural sector exacerbated an already serious unemployment problem and in turn encouraged a steady depopulation of the area. The County Council were also worried by the low rateable value of its area and its dependence on Government grants.¹⁶⁰ In their view no other sites offered the same advantages as those near Invergordon and though

156. Hunting Technical Services Ltd., "Report on a Land Capability Survey of the area around Invergordon", North of Scotland College of Agriculture, An Agro-Economic Appraisal of Agriculture in Easter Ross (1967).

157. 1968 Public Enquiry Report, p.8.

158. For its position in the administrative framework see chapter 2.

159. The Scotsman, 24/5/67.

160. 1968 Public Enquiry Report, p.7.

it was unfortunate that these were on good farming land their use for heavy industry would give 'the best return from the land for the largest number of people'.¹⁶¹ It was for these reasons that the county decided to seek the Secretary of State's approval for rezoning the land. In early 1967 it was only Inverbreakie that was affected, but after October when the smelter race warmed up, B.A. applied for planning permission to build at Inverbreakie where they had an option, and Alcan at the neighbouring Ord and Broomhill Farms, where they had options. On the 6th December, Ross and Cromarty County Councils decided to consider these applications favourably but to go no further with them until approval from the Secretary of State to re-zone the land had been given. They therefore submitted Amendment No.3 to their County Development Plan which sought permission to re-zone Inverbreakie, Ord and some land around for industry and to allocate land at Alness for housing.¹⁶² As 28 objections to this amendment were officially laid, a Public Enquiry became inevitable, but it is probable that with the exception of the farming community the large majority of local people supported bringing in industry wherever it went: in November 1967 a series of public meetings at Alness, Dingwall, Invergordon and Tain unanimously supported the establishment of smelters in the district.¹⁶³

The Public Enquiry was held from 27th February to 20th March 1968. By this time E.R.L.U.C. was somewhat changed, having ceased to be a committee of the Easter Ross Branch of the N.F.U. (it now stood as a

161. Ibid.

162. Ibid, p.5 - 6.

163. Ibid, p.5.

group in its own right) and having lost a few of its members, notably John Mann of Inverbreakie and J.W.G. Paterson of Ord who having given options to the aluminium companies could hardly oppose re-zoning.¹⁶⁴ Supporting them were a number of private objectors who included Phil Durham and Sir John Brooke. The main thrust of E.R.L.U.C.'s argument was that the aluminium smelter would be better placed on reclaimed land in Nigg bay as not only would this save the farms near Invergordon but it would put the smelter much closer to deep water than it would be on the projected site. The argument was in fact developed in considerable detail and two firms of civil and structural engineers were engaged to report on the possibilities of reclamation. Against this the County Council and the Board agreed that though it might be possible it would be too costly, take too long for the purposes of present requirements and (besides) B.A. and Alcan had flatly declared that they would not erect smelters on reclaimed land.¹⁶⁵ The recommendations of the Reporter, which came out in May 1968 and were later accepted by the Secretary of State, were that the land be re-zoned; however the rider was added that the case for reclaiming Nigg Bay was very strong and a survey should be made of the possibilities to avoid a further loss of agricultural land.¹⁶⁶ The scene was then set for the next confrontation.

As with the controversy over the petro-chemical complex there was a tendency for each side to caricature the position of the other. The land-use people were often portrayed as mere reactionary farmers whose statements that they were not opposed to industry as such were just hypocrisy, engaged in out of political necessity. While there may have

164. Ibid, p.6. By the time of the Public Enquiry E.R.L.U.C. had shrunk to 7 members.

165. Ibid, p.6 - 7.

166. Ibid, p.30.

been some root-and-branch opponents of industry, this description hardly does justice to men like Reay Clarke, the Chairman of E.R.L.U.C. who had a far more complex view, and besides, his committee did engage civil engineers to show that Nigg Bay could be reclaimed for industry. The farmers for their part saw themselves fighting 'the combined forces of big business and bureaucracy with the Board as chief villain;¹⁶⁷ coupled with the common accusation that the Board was anti-agriculture this adds up to an equally partial and unfair picture. Nevertheless if such black and white views cannot be accepted there still was a considerable gulf between the two sides. E.R.L.U.C. and its allies were not deeply moved by the need to get industry into Easter Ross, whereas the County Council and the Board saw this as such an urgent necessity that agricultural and to some extent environmental considerations became decidedly secondary.

As soon as British Aluminium signed the agreement with the Board of Trade, the development of the Moray Firth had jumped its first hurdle: it was now at last off the ground. The spectacle of two international companies competing hard to come to the area gave M.F.D. a much greater plausibility than it ever had before, and even the most sceptical of the inhabitants of St. Andrews House had to take notice. According to Ross the 'critical factor in the Invergordon project (i.e. the smelter) was the research work done by H.I.D.B.';¹⁶⁸ add 'promotion' to research and the judgement can be accepted. It is possible to argue that the flat land/deep water combination of the Cromarty Firth would inevitably have drawn in industries sooner or

167. The Scotsman, 12/2/68 and 1968 Public Enquiry Report, p.24.

168. The Scotsman, 12/9/68.

later and it has been suggested that one of the reasons British Aluminium got the favoured Invergordon site was because Alcan had worked through the Board initially whereas B.A. had their chief contacts with the Scottish Office,¹⁶⁹ but it would be churlish to claim that the Board's vigorous promotional activities had no affect in attracting interest in the area.

In order to expedite all the infrastructural additions that the Smelter would require, a body called the Invergordon Steering Committee, consisting of representatives from the Scottish Development Department, H.I.D.B., B.A., Ross and Cromarty County Council and Invergordon Town Council (they were later joined by Grampians - see below) was set up in the summer of 1968. It completed its work and was wound up in September 1971 having arranged for the provision of 600 houses, roads, a water supply, educational facilities, health and welfare services and a Community centre complex.¹⁷⁰

Nothing succeeds like success; whereas in January 1968 Grieve had talked of opposition being felt everywhere,¹⁷¹ by the second half of the year the Board were in calm waters¹⁷² and one of the journalists who in mid-1967 had seen the Board slipping into impotence stated at the end of 1968 that the storms had been weathered and it had discovered "how to accomplish its uncomfortably novel task."¹⁷³

Even before the smelter agreement was settled H.I.D.B. had become involved in another major scheme. Eoin McKie, another entrepreneur of flamboyant tendencies, had come to them in January 1968 with another plan for a petro-chemical complex. It is a tribute to the Board's

169. The Scotsman, 25/7/68.

170. Scottish Development Department, 1971 Report, Cmd. 4945, p.18.

171. Sunday Telegraph, 14/1/68.

172. The general air of euphoria was reflected by the Press Conference that marked the publication of the Board's Second Report (in June 1968).

173. Chris Baur (Scotsman's Industrial Correspondent) in The Scotsman of 7/11/68.

stamina at least that the mere mention of petro-chemical complexes did not make them back away in horror. However they determined to avoid laying themselves open to the same sort of attacks as before, and immediately put Mekie in touch with the Scottish Office as well as persuading him to give a press conference in March outlining his plans. ¹⁷⁴

Grampian Chemicals, as the petro-chemical company was called, did not in fact emerge successful and unscathed but this time no harm was done to the Board. Mekie was later joined as director by Angus Morrison, formerly of C.I.B.A., and Jonathan Jenkins who had been first a Proplan employee and then the Board's consultant on M.F.D. In August 1968 the Planet Oil Corporation, a new offshoot of Allen & Co. the large New York Investment bank, took a major stake in Grampian and Planet's executive Vice-President became another Grampian director. ¹⁷⁵

Following discussion with the Board, the company applied for planning permission from Ross and Cromarty County Council in October. ¹⁷⁶ As they too wanted to use the flat land around Invergordon their application (which the County Council supported) once again required re-zoning of agricultural land. The land use controversy flared up for a second time and ^{there} ~~was~~ was another public enquiry (of which more below). This time the Reporter found against re-zoning, but his recommendations were not accepted by the Secretary of State who considered re-zoning for industry was in the interests of Highland development - a clear indication that whatever had been the Scottish Office attitude to Occidental they had swung behind Grampian. ¹⁷⁷ Unfortunately for Grampian they only successfully cleared the land-use hurdle in order to fall flat on their faces over finance.

^{174.} Glasgow Herald, 28/3/68.

^{175.} The Scotsman, 18/9/68; Sunday Times, 15/3/70 which gives a full account of Grampian's attempts to set up a petro-chemical complex. See also Private Eye No. 161 (Nov.1968) which attacks Grampian with innuendo in a manner bearing a marked resemblance to the earlier attack on Thomson.

^{176.} H.I.D.B. 1968, p.34.

^{177.} Sunday Times, 15/3/70 and H.I.D.B., 1969, p.28.

The scheme, initially planned to cost about £50m. but later going up to £100m., was to have a substantial proportion of its capital from the U.S., but in March 1970 Planet Oil suspended finance to Grampian.¹⁷⁸ The directors had turned to possible European sources when they were overtaken by the General Election of 1970 bringing in a Conservative Government opposed (at that time) to the investment grants on which Grampian had been reckoning. (Interestingly, Edward Heath, when in opposition, had used the example of Grampian to illustrate the wastefulness of such grants¹⁷⁹). Morrison and Jenkins resigned from the Company¹⁸⁰ and the project simply faded away; their land at Invergordon and Nigg was bought in 1972 by the Cromarty Firth Development Company.¹⁸¹

Much of the opposition to Grampian's scheme was the same as the opposition to the earlier petro-chemical complex. Naturally there were those farmers and others who were alarmed by the spectacle of yet more arable land disappearing, and there were the British Oil and Chemical companies who thought that Grampian's scheme could only ruin the market for everyone.¹⁸² The drama of 1967 was not re-enacted however for several good reasons: this time no Board member could conceivably be accused of having pecuniary interests in the development; no Board employee was purloining their documents and writing memoranda; and none of the initiators of the scheme were local people who aroused deep emotions on personal grounds. On top of this, M.F.D. was now established and the Scottish Office had vetted Grampian. All the same, Grampian came in for

178. Sunday Times, 15/3/70.

179. Sunday Times, 15/3/70.

180. Walkington, p.63.

181. Glasgow Herald, 11/9/72.

182. Sunday Times, 15/3/70.

its fair share of exorcism: it was portrayed as a thoroughly unsound set-up run by men with no experience of what they were attempting and whose official London Office was no more than the private house of one of the directors; furthermore, despite its claims to be on the verge of winning contracts, it declined to give any information about possible outlets for its products.¹⁸³

Doubts about the viability of Grampian were used by the objectors to the re-zoning of land at the 1969 Public Enquiry but the main thrust of the opposition, again provided by E.R.L.U.C., was on the old grounds of good land use. Grampian had taken an option on about 200 acres at Nigg and 400 at Delnly which adjoined the land now belonging to B.A. and was also of first class quality. E.R.L.U.C. had argued at the previous enquiry that the danger was if one industry were introduced on good land others would follow and a lot of land would be lost. Grampian's project seemed to bear out their fears and they again pressed for the reclamation of Nigg Bay.¹⁸⁴

The enquiry was held in March 1969; the following month a report commissioned by the Board, (on the recommendation of the Secretary of State) dealing with the feasibility of reclaiming whole or part of Nigg Bay was completed. The report established (as had the engineers consulted by E.R.L.U.C.) that such reclamation would be quite feasible and the reporter at the 1969 Enquiry (on the basis of an interim report produced by 24/2/69) concluded that the cost to Grampian of using a reclaimed site would be no more than the cost of Delnly (the preferred site). Disputes over just how much more time, if any, this would mean before the complex could be in production were not resolved.¹⁸⁵ It has already been said that the reporter

183. The Scotsman, 19/12/68; Sunday Times, 15/3/70. See also the Report of the 1969 Public Enquiry into Ross and Cromarty Development Plan, Amendment No.6, p.13 and 17.

184. 1969 Public Enquiry Report, p.23.

185. 1969 Public Enquiry Report, p.22-25.

recommended against re-zoning, on land-use grounds, but the Secretary of State decided the other way (in July 1969) having been "advised" that the reporter was wrong in his calculation of the cost of reclamation.¹⁸⁶ Some of the objections appealed against the Secretary of State's decision in the Court of Session on the grounds that the County Council had not properly consulted the Agricultural Executive Committee of the Highlands, but they lost.

One other public enquiry has been fought since then - in 1971 - concerning the re-zoning of land for housing near Alness; at the time of writing, the report, considerably delayed, has still not been produced. The Jack Holmes report, the plan for the physical development of the Moray Firth area, which appeared in 1968 has also been attacked by those concerned with land use. It was claimed that it paid no more than lip-service to the idea of conserving that best agriculture land. Specifically the Holmes plan to keep the A9 along the same route as the present road, i.e. round the head of the Beauly and Cromarty Firths was criticised by a number of people including Reay Clarke (the E.R.L U.C. Chairman) who with two friends produced an alternative route crossing the Beauly, Cromarty and Dornoch Firths.¹⁸⁷ S.D.D. have since decided that they will take the A9 across the first two of these firths.

In order to try and mitigate further conflict with agriculturalists the Board began to have joint meetings with the special sub-committee concerned with developments in the Moray Firth area set up by the Highland Committee of the N.F.U. in 1968. In 1969 the Board collaborated with this sub-committee to investigate the effect on agriculture resulting

186. Select Committee on Scottish Affairs, Session 1971-72, Vol.V., "Memorandum Submitted by the Easter Ross Land Use Committee" (H. of C. 511-V) p.42. This Memorandum is a good statement of E.R.L.U.C.'s criticism of the Public Enquiry process.

187. "The Crossing of the Three Firths", R.D.G. Clarke, P. Hunter Gordon and J.S. Smith.

from an increasing urban population around the Moray Firth. In the same year they also joined with British Aluminium and Ross and Cromarty County Council in commissioning Aberdeen University to study the economic, social and environmental changes associated with industrial growth in Easter

Ross.¹⁸⁸ A recent progress report from the team studying the environment claims that desire for short term gain has led planning committees to pay insufficient attention to conservation.¹⁸⁹ Such criticisms were to be expected. While there is no doubt that both H.I.D.B. and Ross and Cromarty County Council would completely reject any suggestion that they had no interest in environmental matters, it is equally certain that the primary objective of both bodies is economic development, which in the case of the Cromarty Firth means industrial development. It would be miraculous if such development never clashed with the requirements of conservation. The Board's position is clearly brought out in their evidence to the Select Committee on Scottish Affairs where F.D.N. Speven (the head of the Board's Planning and Research Division) said, "I think it is our business to give the first priority to economic development and there are many bodies such as the Nature Conservancy whose primary objective is conservation"¹⁹⁰ or as Sir Andrew Gilchrist more colourfully put it, "You are faced with the choice of driving Highland youths to Glasgow to work, or Australia, or asking 15 Solan Geese to build their nest somewhere else".¹⁹¹ A recent example of just such a dilemma occurred in the clash between Ross and Cromarty County Council and the Nature Conservancy. The latter refused to give their blessing to industrial developments in parts of the Cromarty Firth unless the council on their side gave assurances

188. H.I.D.B. 1969, p.30.

189. Aberdeen University, Moray Firth Ecological Study, 1969-74; Summary of Progress, March 1972, p.9.

190. Select Committee on Scottish Affairs, Session 1971-72, Sub-Committee A. Minutes of Evidence of H.I.D.B. (H. of C. 51-x), p.283.

191. Ibid, p.284.

that other parts would be reserved for wildlife. The result was that the Council were unable to grant planning permission for months until the Secretary of State decided to allow them to go ahead.¹⁹²

This discussion of conservation versus development has taken us beyond the 1965-70 period, for it is more recent events that have brought the issue to a head. In this instance, 1970 makes for once a convenient point at which to stop. By the time the Board members were changed in November 1970, Grampian's scheme was as good as dead and no other large projects were on the horizon. Perhaps the new Chairman, Sir Andrew Gilchrist, would have laid less stress on Moray Firth Development had he got the chance. In fact any such choice was rendered impossible by a totally new situation: the discovery of North Sea oil. The Board had taken an interest in North Sea oil in the days when its existence was still speculative; in 1967 they had got in touch with Total who were exploring the outer Moray Firth but nothing more came of that. It was from late 1971 onwards that oil began to have an impact on the Highlands and as this is outside our period no more will be said about it in here. (A brief description of recent developments is given in the appendix).

192. Glasgow Herald, 18/10/72 and 20/10/72.

Chapter 7: The Board and Its World

H.I.D.B. 1965-1970: An Assessment and Some Common Criticisms

In this final chapter I will attempt to bring together the threads running through the preceding parts of the thesis. The first section takes a broad look at the Board's first five years and discusses the criticisms that have been made of them. In sections two and three we return to the themes raised in chapter 1.

Even if we were to take the whole life of H.I.D.B., now in its eighth year, it would, in the Chairman of the Consultative Council, Lord Cameron's words "be unfair to attempt to judge the Board on the results to date"¹ because many of their schemes need to be considered in perspective. The unfairness is compounded if the first five years or so only are considered nevertheless it is necessary to make some sort of assessment here in order that the various actions described in previous chapters can be seen as a whole. The most obvious crude indicators of economic change in the region are those variables used by the Board themselves in their Annual Reports: population, unemployment, incomes, and activity in the agricultural, fisheries and tourism sectors (no measure of change in output in manufacturing industries is available).

It is by now fairly well known that the decade 1961-71 saw the first increase in the population of the seven Crofting Counties taken as a whole since 1841. Better still for the purposes of the Board the whole of this increase, of about 6000 people, occurred between 1966 and 1971, the first half of the decade actually showing continued depopulation. (See Table XIII). At least part of the reason for the increase in population must

1. Personal letter from Lord Cameron.

Table XIII: The Population of the Crofting Counties 1961-71
(absolute numbers and percentages of 1961 total)

Area	1961		1966		1971	
	Number	- % of 1961	Number	- % of 1961	Number	- % of 1961
1/ Shetland	17812	- 100	17371	- 98	17567	- 99
2/ Orkney	18747	- 100	18102	- 97	17254	- 92
3/ Caithness	27370	- 100	28257	- 103	27915	- 102
4/ N.W. Sutherland	3961	- 100	3750	- 95	3782	- 95
5/ S.E. Sutherland	9546	- 100	9393	- 98	9358	- 98
6/ Wester Ross	6807	- 100	6600	- 97	6809	- 100
7/ Easter Ross	28898	- 100	29208	- 101	31222	- 108
8/ Inverness	45820	- 100	46178	- 101	49468	- 108
9/ Badenoch	6473	- 100	6429	- 99	6635	- 102
10/Skye	7772	- 100	7150	- 92	7481	- 96
11/Lewis & Harris	25222	- 100	24302	- 96	23702	- 94
12/Uists & Barra	7387	- 100	6600	- 89	6765	- 102
13/ Lochaber & W. Argyll	4236	- 100	16586	- 117	17597	- 124
14/ Argyll Islands	7772	- 100	7617	- 98	7480	- 96
15/ Oban & Lorn	15162	- 100	15238	- 101	15078	- 99
16/ Mid Argyll & Kintyre	18716	- 100	18022	- 96	18564	- 99
17/ Dunoon & Cowal	16247	- 100	16533	- 102	16772	- 103
Total, Crofting Counties	277,948	- 100	277,334	- 100	283,449	- 102

Source: H.I.D.B., 1971, Appendix VI

(The extent of the statistical areas 1-17 is shown on Map 1)

have been the decline in the rate of out-migration from the region. In 1951-61 the annual net migration rate per 1000 was - 6.1 (rate for Scotland as a whole = -4.8) whereas in 1961-71 this rate was down to -0.4 (Scotland = -5.7)². Naturally not all parts of the Highlands fared equally well. The Inverness area, Easter Ross and Lochaber showed the biggest increases and the population of Shetland was stabilised after decades of continuous depopulation. But Orkney and the Outer Hebrides continued to lose people. Regional unemployment figures were not so hopeful; from standing at about 6.8% in 1965 they had risen to 8% by 1970 and 8.6% by 1971. This however must be seen against the background of increasing national unemployment in the same period and in fact the gap between the Scottish unemployment rate and the Highland one was narrowed between 1965 and 1971 (Scottish rate in 1965 = 3% and in 1971 = 6%).³ On the other hand with regard to personal incomes, though the figures here are less reliable, "it seems that there has been little or no narrowing in the income differential between the region and Scotland or Britain over the last five years" (i.e. 1965-70).⁴

A similarly mixed picture emerges from a study of the changes in the various sectors of the economy. In agriculture there were decreases in the acreage of oats and in the number of sheep and of dairy cattle but increases in the acreage of barley and in the number of beef cattle; the number of full-time farm workers slumped by a drastic 34% between 1965 and 1970. Forestry also employed less people though its acreage increased substantially.⁵ The amount and value of fish landings shows more variability but broadly it would seem that there was a decline in both white fish and herring landings between 1966 and 1968 but a strong recovery thereafter so that by 1970 the 1966 levels were exceeded; the

2. H.I.D.B., Sixth Report, 1971, Appendix VI, table 2.

3. H.I.D.B., 1971, Appendix VI, Graph I.

4. H.I.D.B. 1971, p.14. This might be due in part to a large percentage of old people.

5. H.I.D.B., p.14 and Appendix VI, tables 4 and 5.

increase continued in 1971. ~~Shell~~ fish catches on the other hand were exceptionally good in 1969 and 1970 but declined in 1971.⁶ All the indicators of the amount of tourist activity e.g. road counts, number of cars carried on the Kylesku Ferry and the number of visitors to National Trust places of interest, showed steady increases throughout the period.⁷

As with all such measures it is well nigh impossible to ascertain to what extent the change was caused by any single factor. Any or all of these changes might have occurred had H.I.D.B. not existed. It could be argued for instance that the decline in out-migration and hence the population increase was solely a result of the decline in 'pull' factors outwith the Highlands.⁸ This is not completely plausible however as it is certain that there have been other periods since 1841 when 'pull' factors were as weak yet depopulation was not stopped. It is a fair presumption that the creation of a special development board for the region weakened 'push' factors by introducing new hope among those who might otherwise leave. (Which is not of course to say that a decline in 'pull' factors was not operating at the same time). At least it is possible to say that one factor which will in future complicate all efforts to assess the Board's success, the discovery of North Sea oil, had not up until the end of 1971 had any effect on the Highlands.

The fact that unemployment increased during their first five years does not suggest that the Board was able to ^{engineer} ~~enforce~~ any dramatic economic revival (hardly surprisingly) yet the gap between Highland and Scottish unemployment figures was closed and in the face of a big decline in the numbers employed in one of the most important sectors of the Highland economy-agriculture.

6. H.I.D.B., 1971, Appendix VI, tables 6(a), (b) and (c).

7. H.I.D.B., 1971, Appendix VI, tables 7 (b), (c) and (d).

8. A point the Board were uneasily aware of; see H.I.D.B., 1971, p.13.

Against this it is difficult to maintain that the conditions of the Highlands would have been much the same had nothing been done in 1965 but it can still be argued that either (a) a different Board or (b) no Board, but an equivalent amount of money, channelled through the County Development Officers, would have had better results. There is no settling this argument to everyone's satisfaction (I must say that I am not convinced by it); all we can do is to look at the various ways in which it has been claimed that the Board were particularly successful or unsuccessful.

The most spectacular economic change that came to any area of the Highlands and Islands in the years 1965-70 occurred in Shetland. Depopulation came to an end and landings of fish rose rapidly: by 1971 the volume of white fish landed in Orkney and Shetland (Shetland being the senior partner by a long way) was 172% of its 1966 value (and in terms of money earned the increase was 252%). Even greater increases were recorded for herring landings.⁹ As increasingly large amounts of fish began to be processed locally a considerable amount of income was generated in the islands and there was agreement that Shetland was 'booming'. Once again it is not certain how far any change for the better can be attributed to the existence of H.I.D.B., the Shetlanders' own initiative and preparedness must earn much of the credit but, as was said in chapter 5, there is little doubt that Board money played an essential part, not so much in providing new boats - Shetland did not participate greatly in the Fisheries Development Scheme - but in assisting processing factories as well as helping the other parts of the economy such as knitwear and tourism. As assistance per head from H.I.D.B. was greater in Shetland than in any other Highland area (see chapter 5, Table VIII) it would be difficult to argue that the boom was quite unrelated to the Board.

9. H.I.D.B., 1971, Appendix VI, tables 6 (a) and (b).

(Though it is conceivable that the money could have been obtained from other sources).

More purely the Board's own work and their most widely acclaimed success was the build up of the Western Isles fishing fleet. Starting from the basis provided by the Outer Isles Fisheries Training Scheme they succeeded in reviving Hebridean fisheries. As far as it went this policy seems to have met ^{neaply} ~~77~~ universal approval until quite recently when a plan to extend the Fisheries Development Scheme (not limited to the Western Isles) was criticised by the Aberdeen economist G.A. MacKay on the grounds that there was simply no more room for expansion and that it would create an excess of boats in Highland waters.¹⁰ The expansion of tourism is a more controversial success. Once again how much of this was due to the Board is open to question. Perhaps increasing numbers of tourists would have poured into the Highlands anyway and it has to be remembered that the biggest tourist venture, the Aviemore complex, which opened in 1966, had nothing to do with H.I.D.B. On the other hand the Board put much money and energy into promotional campaigns, setting up local organisations, improving and extending accommodation, and assisting the expansion of tourist facilities. It would be strange if all this effort were quite unrelated to the tourist boom. The Board's success is controversial because, as was noted in chapter 5, there are a number of people who consider that tourism means Highland ruin not Highland development. MacKay is again a critic, contending that the extra employment generated by increased tourism is in fact small and, besides, that it is in direct opposition to "the expressed needs and wishes of local communities".¹¹

Controversy also racks another candidate for the title of successful

10. G.A. MacKay in a letter to The Scotsman 14/2/73.

11. G.A. MacKay "Regional Development Problems: Scotland" in M. Broady (ed.), Marginal Regions (Bedford Square Press, 1973), p.27. A recent Church of Scotland Report also criticised the Board's support of tourism; see The Scotsman, 30/5/73.

Board undertaking - Moray Firth Development. There are two quite separate arguments against calling this a Board success: (i) that whatever development occurred there, was independent of the Board; and (ii) it was not something they should have been pursuing anyway. Taking the first argument, it is fair to say that between 1965 and the advent of North Sea Oil there was only one large-scale development in the area - British Aluminium's smelter (the other project the Board steadfastly pursued, a petro-chemical complex, never materialised) and, according to Ian Carter, an Aberdeen sociologist," the Board played an insignificant part in the process leading to British Aluminium's decision to locate its smelter at Invergordon".¹² Chapter 6 dealt with this episode in detail and I think shows that Carter is oversimplifying. True, the decision to set up an Aluminium industry in the first place, the choice of the aluminium companies to get smelter contracts, and the selection of sites were all out of Board hands. Nevertheless it was because the Board had "sold" the Cromarty Firth site to both Alcan and British Aluminium, months before the Government decision to give the go-ahead for smelters, that an Invergordon plant became such a strong probability from the start. It is open to anyone to insist that without all the Board's promotion and planning the Aluminium Companies would still have selected Invergordon because of its inherent advantages but it seems harsh simply to call the Board's role 'insignificant'. The second argument, that it was not the Board's job to develop the Moray Firth springs from the view that the success of the Board can only be judged by their activities in the remoter parts; we return to this point below.

One more major claim to success is often made for the Board and it is this claim that is most difficult to assess: that their existence

12. Ian Carter, "Six Years On: An Evaluative Study of H.I.D.B." Aberdeen University Review, Vol.XLV, 1 (Spring, 1973), p.73.

produced a new spirit of hope and confidence in the Highlands. Nothing less than a full-scale public opinion poll, and perhaps not even that, could establish this point, but perhaps the dramatic fall in migration rate is some argument in its favour. Apart from that we have to rely on the testimony of a number of different observers¹³ and perhaps also the fact that, to my knowledge at least, even the Board's critics have not specifically denied the point.

What are the Board's main failures? It ought to be said that a fair number of the criticisms of H.I.D.B. are either ill-informed, or parochial ("our area is not getting enough assistance"), or involve personalities rather than actions, or are simply vague expressions of antipathy towards "them" - the Government, the authorities, the powers that be.¹⁴ In addition there are the not unnatural feelings of disappointment of those whose schemes have been turned down/^{and}who, resenting the probably sensible policy of the Board not to tell them why, manage to convince others that the real reason is that the Board are out of touch and do not really understand what the Highlands need (a theme common to many critics).¹⁵ There may be cases where such points have some validity but what we have to consider here are the broader policy failures, although, like the successes many of these will be disputable.

Within the context of the generally successfully fishing policy, the report on that policy ("In Great Waters") identified a number of areas of failure.¹⁶ These are specified in chapter 5, and include such things

13. See for instance the B.B.C. "Current Account" programme on H.I.D.B. in Autumn 1970 (transcript available) and R.D. Lobban in The Scotsman 15/1/72.

14. This assertion is based on a number of conversations and interviews. Much of the material in this chapter necessarily comes from verbal sources and if no reference is given it can be assumed that the source is an interview.

15. See for instance an article on Mull in The Scotsman, 7/6/71.

16. H.I.D.B., Special Report 7, "In Great Waters" (1972).

as the failure of processing factories and other short developments in Stornoway to increase at a rate matching the growth of the fishing fleet, and the lack of any advance at all in Caithness. Caithness is a failure from another point of view as well; described as one of the growth centres for manufacturing industry it seems to have made very little advance on this front either (see chapter 5). In fact, while the Moray Firth area seems to have done well enough in picking up a number of small developments, neither of the two smaller growth points (the other being Fort William) seem to live up to their name. Members¹⁷ of the Board itself have suggested that they failed to go hard enough for manufacturing industry at the beginning; although they gave more by way of financial assistance to this sector than any other, big promotional campaigns were not started until the end of the 1965-70 period.

In addition to these relatively minor criticisms there are those which take issue with the Board's whole approach to Highland Development. Most of these thorough-going criticisms fall naturally into one of a small number of groups composed of related points linked by a general conception of what Highland development should be about. One such group is centred round the idea of a special and valuable "Highland way of life" which should be preserved. The exponents of this view agree that depopulation must be stopped and hence that employment must be increased - but not at the expense of making the Highlands like the rest of Britain. In the words of Sir Andrew Gilchrist, the second Chairman of H.I.D.B., "though everyone is for development, it must be so carried out as not to change anything!"¹⁸

The view has two components; one, more relevant to the Western parts of the region, is concerned with the preservation of a

17. e.g. Prophet Smith and Sir James MacKay.

18. H.I.D.B., 1972, p.8.

distinctive culture and of the Gaelic language. At its most extreme it ^{romanticises} ~~idealises~~ the Gael and seeks to protect him from the "Commercial" and "competitive" values of the urban south.¹⁹ The other component concerns the preservation of the beauty and physical environment of the Highlands. That Grieve himself had some sympathy with such views is illustrated by his statement that the "primary objective" of Highland development should be "to offer another perfectly possible way of life to that in the cities".²⁰ But Grieve was ambivalent for he also talked about "the introduction of major manufacturing urban complexes" as being the main hope for Highland economic revival²¹ and it was this aspect of the Board's thinking that was more visible to the critics.

The criticisms that were derived from the "Highland way of life" idea' were various. Firstly there was the accusation that the Board did not care enough about 'social development'.²² The retort of some Board members was to ask, with a certain amount of justification, what was meant by 'social development'. The details are not always clear but it is undoubtedly connected to the belief that helping the economy, bringing in jobs etc. is not enough and that wider social variables must be considered.²³ It is true that the Board did give a certain amount of money by way of 'social' grant and from 1967 employed a Consultant on community development but I think it is fair to say that

19. There is a letter expressing this point of view in the Glasgow Herald, 3/2/73.

20. Sir Robert Grieve, "Problems & Objectives in the Highlands and Islands", in J. Ashton & W.H. Long (eds.), The Remoter Rural Areas of Britain (Edinburgh, Oliver & Boyd for the Agricultural Adjustment Unit, 1972), p.143. Grieve made a very similar statement in H.I.D.B. 1966, Foreword.

21. The Scotsman, 20/1/66.

22. e.g. Carter, p.75-77; the previously mentioned Church of Scotland report (The Scotsman 30/5/73); and a letter in The Scotsman, 30/6/73.

23. Which Carter accused the Board of not doing in their Kildonan report, see Ian Carter, "The Highland Board and Strath Kildonan", Catalyst, Spring 1972.

they did not consider non-economic development as being a very important part of their function. They tended rather to take the view that their job was mainly to provide economic opportunities and let people make of them what they would.

A closely related criticism was that the Board had a negative attitude to Gaelic. One of the first objections made to H.I.D.B. was that it contained no member who spoke Gaelic.²⁴ The sin was compounded when, in a television programme, Grieve undiplomatically said that, unfortunate though it was, he saw no future for the language. The outcry was immediate, An Comunn Gaidhealach were sharply critical,²⁵ and they remained cool towards the Board for a long time afterwards. Grieve regretted his frankness but the Board continued to insist that their job was not to prop up Gaelic.

The use of Gaelic and hence the most distinctive "Highland way of life" is confined to the remoter Western parts of the Highlands and, to a greater extent, the Islands. From this springs what is perhaps the most controversial criticism of the Board: that they have not managed to do much for these parts or, worse, that they have deliberately favoured the east.²⁶ Right at the beginning of the Board's life Grieve wrote, "No matter what success is achieved in the eastern or central Highlands the Board will be judged by its ability to hold the population in the true crofting areas".²⁷ Both he and most of the other Board members consider that they accepted this challenge and reject any accusation to the contrary.

24. Made by the Chief of Inverness Gaelic Society; see Inverness Courier, 5/4/66.

25. Inverness Courier, 21/10/66.

26. MacKay, p.27, makes the milder version of this criticism. The stronger one was made by one of the people interviewed for the "Current Account" programme. In one or other of the two versions the criticism is in fact quite common.

27. H.I.D.B., 1966, p.5; the phrase is a quote from a paper submitted to the Board by Grieve.

They say that the money they spent in, say, Skye or the Outer Isles compares well with that spent in any other area, they point out that setting up the Fisheries Development Scheme was one of their first actions, and they mention the bulb scheme as a bold and determined (if in the end unsuccessful) attempt to bring development to the West, Furthermore they can point to the fact that depopulation did ~~cease~~ in many of the "true crofting areas" between 1966 and 1971 (see Table XIII and below).

These are good points but the argument is impossible to resolve finally because it involves a clash of basic priorities. To many of the partisans of the west, almost all of the development effort should have been concentrated there and practically any attention paid to the more prosperous parts was too much.²⁸ The Board on the other hand interpreted its duty as developing the whole region and as their practice was guided by the precept of "encouraging local economic enterprise wherever and whatever it might be"²⁹ - which unfortunately often meant in the Moray Firth area and not in the Western Isles.

A very similar strand of criticism concerns the Board's "growth point" policy and in particular Moray Firth development. There are two aspects to this, one from the point of view of the non-growth points and the other from the point of view of the growth points. Taking the latter first, as far as I am aware there were no objections from Lochaber or Caithness to being labelled "growth points" but, as we have seen in chapter 6, some people in the Moray Firth area were not at all happy about being in a "growth point" when they saw what it entailed. The

28. This seems to be the view of D. Thomson in "The Highland Dilemma: Redevelopment or Re-exploitation", Scottish International, May-June-July, 1973, p.20-21.

29. Grieve in Ashton and Long, p.137.

criticisms of the Board on this score have already been discussed in the last chapter and need not be repeated here.

The first aspect of the criticism is essentially that a vigorous and effective growth point policy would necessarily draw people from the remoter parts.³⁰ Against this the Board argue that they drew up a list of "industrial holding points" in the Crofting north and west to balance the three growth points. If one of the growth points had really boomed, as has happened to the Cromarty Firth since the North Sea Oil rush, it is unlikely that these "holding points" would have had much effect (there is evidence to suggest a flow of people from the west to the oil-related developments of Easter Ross³¹); but as this did not happen between 1965 and 1970 the non-growth points were not denuded of people. In fact if we look at the population change in the crofting areas between 1966 and 1971 it can be seen that (while Lewis and Harris lost people), Shetland, Sutherland, Wester Ross, the Uists and Barra, Lochaber, and the Ardnamurchan/Morven areas of Argyll all either held their population or, more frequently, increased it. In the previous decade none of these areas except Lochaber had seen population increases. Curiously, Orkney and the Argyllshire Islands, which are not major crofting areas, continued to depopulate.³²

To sum up the issue between the Board and its detractors whose criticisms fall in this first group, it can be said that the Board's primary concern was the long term economic revival of the Highlands and, despite Grieve's phrase about "adding another perfectly possible way of life to that in the great cities", what this amounted to in practice was pursuing developments that made the region more like the rest of Britain.

30. Carter (1973), p.69-70.

31. Thomson, p.20.

32. See Table XIII.

The critics on the other hand were less concerned with economics and more with maintaining Highland distinctiveness.

The second group of criticisms derives from the perception of the Board as a "remote" and "bureaucratic" body. Among the views in this group was a general objection to centralised direction or planning. The main thrust of the argument was that local communities should be allowed to have a greater say in their own development and to participate in it.³³ The Board should at least make greater efforts to gain contact with ordinary Highlanders, for instance by decentralising and having field officers. In the extreme case H.I.D.B. was accused of having a "Colonial mentality", of being a creature of the central government set up to administer the natives whether they liked it or not, or even of being "power hungry" and seeking control over the whole of the Highlands.³⁴ In this extreme form the criticism is unfair, anything done by a body like the Board is likely to displease somebody but this does not mean that the "people's wishes" are being ignored; on the contrary, much of what H.I.D.B. did pleased many people. Nevertheless the Board did feel vulnerable to this sort of criticism, perhaps because they were a completely appointed body, and members were quick to point out that they or their members of staff often made visits to various parts of the region and spoke with local people. Grieve has even asserted that in their willingness to hear and act on local advice the Board was more democratic than the average local authority.

On decentralisation and the creation of field officers there was no difference of principle between the Board and its critics - if anything the division is within the Board. Grieve has said that his original hope

33. Adrian Varwell, "Community Development Projects - Scotland: Highlands and Islands Communities", in Broady. Varwell is criticising central government in general rather than the Board in particular.

34. Grieve reported the accusation of the Board being a colonial body (in an interview), the quote about power hungriness was made at the 1969 Public Enquiry into the Amendment of Ross & Cromarty's development plan (The Scotsman, 3/4/69).

had been to set up local funds which would give small amounts of financial assistance on the basis of "good character". The idea however was not accepted by the Scottish office, worried about public money. He regarded field officers as inevitable, just a matter of time, and saw the Shetland office as the first step in that direction. Not all Board members agree - Smith's view is that they would be unnecessary and that the Board's strength lies in having a body of experts concentrated at Inverness. ³⁵

Another criticism in the second group is that the Board is slow moving, inefficient and surrounded by red tape. This criticism only emerged towards the end of the 1965-70 period and is probably a simple function of size. Whether the accusations are just, that is, whether H.I.D.B. is more slow-moving ~~etc.~~ than any other organisation of its type is difficult to say, but it should be remembered that the necessity to consult with a plethora of other bodies cannot but slow things up.

The third group of criticisms may loosely be labelled "conservative" for reasons that I hope will be obvious. The conception of the Board in this case was of a hopelessly impractical set of people pursuing hairbrained ideas - or as Lord Lovat put it, of engaging in "crackpot" schemes (among which he included taking an interest in the search for North Sea oil, then undiscovered). ³⁶ Russell Johnston has said that one of the commonest criticisms of the Board that he encountered concerned their supposed tendency to give financial assistance to "dubious" characters or projects. A certain amount of criticism of this sort came from local businessmen who ^{made} had their way without Board assistance and disliked the thought of pampered competition, ³⁷ but much of it was a product of hard-headed caution. In fact the figures

35. Information from interviews. Robert Storey, the Board's "Social Research & Development" officer is also very much in favour of decentralising, see Broady, p.100.

36. People's Journal, 25/5/68.

37. Sunday Telegraph, 14/1/68.

for Board losses, already given (in chapter 5) simply do not bear out this criticism, and the Comptroller and Auditor General has never found any H.I.D.B. financial mismanagement serious enough to refer to the Public Accounts Committee. This same strand of conservative criticism also included the view that the Board were not taking enough interest in "indigenous resources", chiefly meaning agriculture, and were obsessed with "unsuitable" importations such as petro-chemical complexes; which takes us back to M.F.D.³⁸

Associated with the above views and usually voiced by the same people, was the criticism that the first Board (i.e. from 1965-70) consisted of a poor set of people, for the most part impractical and lacking the necessary business experience. They were, the argument goes on, basically 'political appointees'. The last point was examined in chapter 4 and cannot seriously be sustained (except in the ^{tautological} sense that all appointments made by a politician will necessarily be political). As for the Board's impracticability there is little evidence for it, though of course it is possible to continue to believe that a group with more business experience would have done better. In the extreme form of the argument it has been claimed that not only the Board's members but their staff were political appointees.³⁹ Apart from the inherent implausibility of this, it has been implicitly denied by Sir Andrew Gilchrist who has said that he found no need to change any of the heads of departments who were there when he became Chairman. That such a thing could be believed is indicative of the suspicion felt for the Board in some quarters. Gilchrist told the Select Committee on Scottish Affairs

38. References to the numerous criticisms of the Board's agricultural policies were given in chapter 5. In general the Inverness Courier leaders contain a good expression of the "conservative" feeling about Highland development.

39. A claim made by John Rollo of all people (in an interview). It should be remembered that Rollo felt himself the odd-man-out on the Board (see his position on M.F.D. in chapter 6) and agreed with many of the criticisms described above.

that before becoming Chairman he "was conscious of the fact that the Board was by no means popular with land proprietors in the Highlands".⁴⁰ As the Board was notable more for its failure to attack landed interests than otherwise (see below), such unpopularity can only reflect a dislike of the "Socialist" origins of H.I.D.B.

If those of conservative tendencies disliked the Board's Socialist origins, radicals criticised it for precisely opposite reasons: for failing to live up to these origins. Such criticisms constitute a fourth and final group. Many of the most enthusiastic supporters of the creation of a development board in 1965 saw it as a bold new socialist experiment.⁴¹ Five years later they were rather disappointed and tended to criticise the Board for not using its powers vigorously enough in one or more of three ways: (i) over the question of land ownership; (ii) in setting up businesses at their own hand; and (iii) in the field of economic planning.

The radical view on the land question was that a complete land use plan should be prepared and powers of compulsory purchase used to tackle uncooperative landowners.⁴² As the Board's first commitment was to increasing employment, land use problems were not given a high priority and although studies of Mull and Kildonan were started, that was the nearest they got to a land use plan. It has already been said that the Board and especially Grieve - were not enthusiastic about compulsory purchase in any circumstances as they had no desire to get involved in a difficult battle. They did not rule it out altogether, however, but decided that when they first used it, it would have to be over a piece of land large enough to make

40. Select Committee on Scottish Affairs, Session 1971-72, Sub-Committee A, Minutes of Evidence of H.I.D.B., (H.C.51-X), p.278.

41. K. Alexander, "Commanding Highlands", New Statesman, 8/10/65.

42. Ibid.

it worth while. It is their claim that although they came across small pockets of land that they would have been justified in purchasing compulsorily, a suitably large parcel of land never found. Such a cautious attitude has naturally brought criticism from those who place more importance on the land question. ⁴³

If not getting involved with land use was a matter of Board policy, not setting up more of their own businesses was more a matter of constraints. The chief constraints were two: money and managers. Under any government the Treasury takes a severe view of the loss of public money and a project launched by the Board because no private developer would take it must obviously be highly risky. (The Treasury also like private involvement in a project as an independent check on its viability). But Grieve has claimed that it was not lack of money that was the major constraint but lack of managerial ability in the region. It is difficult to set up a new business unless suitable management is available and in at least two of the cases where the Board was closely involved with an enterprise - Gaelfish and Ice Atlantic - management difficulties posed a major problem.

The Board's failure, for whatever reason, to act radically on the question of land and the setting up of its own businesses led Ian Carter in his article on H.I.D.B., "Six Years On", to declare that they should not be viewed "as a thrusting dynamic combination of research agency and action agency on the Tennessee Valley Authority model but rather as a fairly passive milch-cow". ⁴⁴ Similarly in another assessment of the Board's first six years, Chris Baur, The Scotsman's Industrial Correspondent, declared that H.I.D.B. began as "an experiment in Socialism itself", a weapon for "storming the citadels of free enterprise and of confronting the landowning interests

43. e.g. Carter (1972); letter in The Scotsman, 22/8/73.

44. Carter (1973), p.73.

which have regarded the Highlands as their privileged sanctuary". As such, Baur claimed, it failed because it "quite soon ceased to be 50% of what it was intended to be".⁴⁵ On a less grandiose plane the Board has been criticised by Robert MacLennan M.P. for not engaging in any indicative economic planning and earlier, in 1968, Professor K.J.W. Alexander had strongly urged such planning on them.⁴⁶

It can hardly be disputed that these critics are quite right in saying that H.I.D.B. has not become a socialist weapon, a disposessor of the lairds, a powerful planning body, or whatever, but it can be asked just to what extent these things were ever intended, and, perhaps more germanely, how likely they ever were? Any final assessment of the Board is necessarily a personal matter and I must state that I find many of the criticisms of them misconceived. In my view the more root-and-branch critics are fundamentally mistaken about what was at all likely. I contend that what the Board did and what it became was broadly speaking inevitable; in the next section, among other things, I will try to defend this assertion.

H.I.D.B. and the Policy Process

Let us return to the model of the policy process discussed in chapter 1 - the gradual move from highly general and usually unanalysed statements of intent through a series of choices until specific commitments are reached. This process, we saw, can be illustrated diagrammatically by a "tree" of possible future choices. In the present case, once the problem had been perceived, the "tree" had four main forks: whether to have a development board or not, what sort of board to have - in terms of powers, remit etc., the Strategy of the Board, and their tactics. Starting with problem

45. Chris Baur, "Political Failure of the Highland Board", The Scotsman, 14/6/73.

46. Scottish Trade Union Congress, Report of 7th Highland & Islands Conference (1968), p.31.

perception let us look at each of these stages in turn.

The Highlands have been perceived as a problem for the Central government at least as far back as the 18th Century (and almost certainly before that) but the nature of the problem has not always been the same. As was said in chapter 3, the 18th century problem was seen in military terms - how to pacify the Highlands. The Government response was a combination of repressive measures - e.g. the banning of the tartan - and attempts to turn Highlanders away from ~~violence~~ by encouraging them to take up 'industrious' pursuits (or to channel their martial tendencies in approved ways by getting them to join Highland regiments). By the end of the century the area was no longer a military threat and successive governments began to forget about it until the acute famine of the middle of the 19th century. Continued misery and (by the 1880's) actual unrest forced attention back to the problems of the Highlands - this time perceived as being those of rural poverty and congestion. The responses by the government to this problem can be seen from the names of some of the bodies set up to deal with it e.g. the Congested Districts Board and the Crofters Emigration Commission.

It was really only after the First World War that the problem began to be perceived as one of depopulation rather than congestion. Once this step had been taken and the general remedy of improving economic opportunities identified (rather than creating viable small farms), the question of a development board became relevant. Summarising the early part of chapter 4, we can say that the Liberals began the debate in 1928 and it was taken up at a more official level by the Scottish Economic Committee in the late 'thirties. However the issue did not have any great importance until after 1950 when the S.T.U.C. and the Scottish Council of the Labour Party became interested and successfully urged ^{it} on Labour as official policy. The Tories resisted S.T.U.C. arguments on the grounds that an independent board could do little good and would confuse administrative arrangements. The debate was finally

ended with the 1964 Labour victory.

The sort of Board it was to be had largely been decided upon in the preceding discussion and it was further refined as the Bill went through the Commons. The S.T.U.C. had pressed for a body similar to a New Town Corporation and that is something like what emerged: an organisation independent of both the local authorities and the Scottish Office, directed by a small executive Board appointed by the Secretary of State, and equipped with a formidable array of potential powers, (though unlike a New Town Corporation, H.I.D.B. had no planning or infrastructural powers). An appointed rather than an elected body had been decided on in order that the Board could have men suitably equipped for the job and able to devote all their energy to it (also a reason for making members full-time). There was very little opposition to this provision. The extensive powers, a more controversial matter, were given because Labour were determined to create a body that would be able to pursue any development it thought fit. Several other factors of considerable importance also determined the sort of Board it was to be in practice: the fact that it replaced no existing body with executive powers; the need to get the approval of the Secretary of State and the Treasury before anything substantial was done; and its relatively small budget hedged about by restrictions as to how it could be used.

The other aspect of the policy choice at this stage was the remit of the new Board. The Act is notably vague about this, merely insisting on the double nature of the Board's work - to improve social and economic conditions in the Highlands and to help the region to play a more effective part in the development of the nation. What the government intended the Board to do was not made any more precise during the course of the parliamentary debates on the Highland Development Bill. Ross and Willis refused to commit themselves to anything specific, to the point of being accused by Michael Noble of

having "absolutely no ideas ... about how to deal with this problem".⁴⁷

The conclusion is inescapable that the new Secretary of State and his associates only had the haziest ideas of what was expected of the Board beyond that most unanalysed and unexceptionable of abstractions, 'development'. However it is, I think, clear that the Labour leaders were not expecting a radical attack on the whole landowning system. Carter's tentative implications to the contrary⁴⁸ are contradicted by Ross's cautious approach in the debate on the Bill and the Opposition's decision not to force a division.⁴⁹ Further evidence of the Government's "moderate" intention is provided by the men they appointed to be the Board's first members - hardly the men who would have been chosen if the Board was to be an instrument of radical change in land ownership - and by the fact that the Secretary of State gave the new Board no instructions other than a suggestion that they achieve some visible results as soon as possible.

Thus H.I.D.B. began life with no clear directions as to what sort of 'development' it should pursue, but at the same time with a formidable set of limiting factors: the need to go at least some way to ending depopulation in order to be credible; a relatively small budget not wholly under its own control; numerous other administrative institutions, with their own policies, in this same field; an expectation that they should show results quickly; and a area whose prospects for development were decidedly limited.

The next stage in the policy process was the choice of strategy. The

47. H.C. Deb, Vol. 714, Col. 1040.

48. Carter (1973), p.58 and 76.

49. And also by George Willis (the Minister of State in 1965) who said, in an interview, that the Board under Grieve had done the sort of things they had expected it to do.

Board took one step away from unexceptionable sentiments and towards the "terror of action" but continued to hedge its bets: tourism, forestry and manufacturing were the "three great props" for the region's economy but fishing "is very important ... in certain island and other communities" and in agriculture "the Board will back any move in the direction of more production". Major growth points must be generated but the Board also has to "hold population in the true crofting areas". A major urban centre is desirable around the Moray Firth yet there is also the aim "of adding another perfectly possible way of life to that in the great cities".⁵⁰ Though made less explicit two themes run through this strategy and through the Board's subsequent actions: the overriding need to bring in more jobs to all parts of the Highlands and the necessity of supporting initiative wherever it is found. Given the Board's circumstances there is a strong sense of the inevitable about these two commitments. How would it be possible to prevent depopulation without providing jobs for people in their own areas? And, in an area with such meagre resources and lack of entrepreneurs as the Crofting Counties, could the Board afford to ignore initiative that looked promising whatever its source?⁵¹

Equally inevitable (it seems to me) were a large proportion of the Board's specific commitments - the final stage of the policy tree. They gave most grants and loans to manufacturing and tourism, for manufacturing is, almost without doubt, the greatest producer of jobs, and in many areas tourism was about the only activity that looked as if it stood a chance of success - or at least the only one that the Board could find people to

50. The various quotes are from H.I.D.B., 1966, Foreword and p. 1-5 and H.I.D.B., 1967, p.14-15.

51. Some would say that they did but that is because there is plenty of room for disagreement about what looks "promising".

undertake. Many of the new manufacturing enterprises came to the Moray Firth area because, of all parts of the Highlands, it had the most to offer - and the Board could not have risked driving firms away by trying to force them to go elsewhere. There was a big build-up of fishing in the Western Isles because it was absolutely necessary that something be done for these parts and fishing looked the most promising. Shetland received the most help from the Board because here was the greatest concentration of initiative. Agriculture, at first the Cinderella of the economic sectors because of its inability to offer much hope of increased employment, eventually forced itself on the Board as much as anything because of the need to satisfy the agricultural interests that they were not being forgotten.

The same mark of inevitability stands over much that they did not do. To criticise them for not engaging in economic planning or analysis, though perhaps valid now, hardly has any relevance in the early years when the need was to act and to establish themselves as something other than one of the interminable commissions investigating Highland conditions. Their failure to take over any land springs directly from the political and economic costs of such a move together with the likelihood that it would provide little in the way of jobs or return on capital. Their stress on the 'economic' as opposed to the 'social' aspects of development is a result of a belief - difficult to quarrel with - that without a means of livelihood communities would collapse anyway. As for the criticism that they never really tried any socialist experimenting, I doubt if Ross and the other Labour leaders had the necessary political will for that to have been a genuine possibility. Certainly it would have taken far more money than the Board received and an ability to direct the other administrative bodies in the area.

Lack of resources, lack of entrepreneurs and a perceived need for increased employment and immediate action - these factors alone serve to

explain much of what the Board did and did not do. But not everything. It would be going too far to rule out altogether the element of personal choice by the Board and declare that whoever had been appointed the same things would have been done. Clearly, assessments of the viability of individual projects is to some extent a personal matter, and with a different Board different projects may have been supported. (But within limits, the Board did not have all that much choice). More significantly there were two major and controversial schemes that were far from being "inevitable" - the attempt to attract big developments to the Moray Firth and the building of hotels in the Western Isles. It has already been said that because of its advantages the Moray Firth area would certainly have benefited most from new firms starting up, but that does not mean that the Board was bound to go out and try and attract multi-million pound projects like petro-chemical complexes; this was a genuinely individual decision by the Board and one that we saw divided it deeply. Similarly, though I cannot accept that H.I.D.B. really had any choice over whether to support increased tourism or not, they were not bound to build their own hotels in the remoter Western areas.

I have drawn a highly, perhaps exaggeratedly, deterministic picture of the development of H.I.D.B. policy, stressing all the time the force of circumstances and playing down the role of personal choice. The result is no doubt an over-simplification but I believe it is a more realistic one than that which exaggerates the options open to the Board and praises (or more usually, castigates) them for taking the ones they did. I should perhaps stress that I am not asserting the existence of any inexorable "historical forces" before which human beings are mere puppets. I am only saying that, given the situation in which they found themselves, many (but not all) of the Board's choices were those that it was highly probable that they would make irrespective of personalities; and while it is not absurd to

criticise them for in fact making these choices, it is to pay insufficient attention to the constraints they faced. To relate my claims about "inevitability" (in this rather weak sense) to the "tree" of possible choices, I would say that, while the various choices were possibilities, circumstances loaded the dice strongly in favour of one group of them.

The "inevitability" hypothesis creates somewhat of a paradox however: how was it, if much of what the Board did was inevitable, that those who supported it at first were later disappointed? The answer is probably that the ~~unanalysed~~ nature of the phrase 'social and economic development' left a lot of room for wishful thinking. As long as the circumstances in which the new Board would find itself were not properly analysed it was possible for those who disliked tourism, say, to ignore the fact that it would be well nigh impossible for any development board to give up such a potential source of economic growth, or for those who wanted to see the remoter parts developed to forget that - as long as the crofting counties were the development unit - they would always be in competition with the more favoured Moray Firth area. So it was that many different visions of Highland development could coalesce behind H.I.D.B. only to be divided again by the Board's actions.

Relations with the Political and Administrative Environment

A biological analogy might be used: a new organism, a mutation, is born and immediately begins a struggle for survival; if it can adapt to its environment it will survive, otherwise not. The analogy has its limitations when applied to H.I.D.B., the biological struggle is essentially to eat and avoid being eaten whereas the need of a body like the Board is for political support, not quite the same. Besides we can see with the clarity of hindsight that at least since it weathered the Thomson affair

there has been little likelihood of the Board actually ceasing to exist. (This has not always been apparent, there were many who wondered about the Board's future after the Conservative election victory in 1970). It would be very difficult for any Government to end its existence now because of the immediate outcry from the Highlands (with reverberations elsewhere) that they were once again being abandoned. As Sir Andrew Gilchrist has said, the one thing that would unite all Highlanders behind the Board would be a threat to its survival. But if we replace "survival" with "emasculat-ion" the analogy becomes more relevant: it would be quite possible for the Board to be kept in existence but reduced to a mere shadow. Unfortunately whereas there can be no doubt whether a body has survived or not, emasculation is more problematic. It could be argued that as one of the Board's most distinctive features, its great powers ~~over land~~ ^{and} the obtaining of information, have never been used it has in fact been emasculated already. Against this it can be said that the powers still exist and might be used yet and that where Government support really shows, in the supply of finance, the Board has gone from strength to strength.⁵² Personally I find these latter arguments the more convincing and if the Board has not been effectively emasculated then it must have successfully adapted to its environment.

In chapter one we characterised that environment as consisting of three levels - the Scottish Office and other central departments above, statutory bodies and the local authorities on the same level as the Board, interest groups and the public below. Each level brings its own problems of adaptation. The most acute differences between the Scottish Office and H I.D.B. occurred in the context of M.F.D., and were explored in chapter 6. It was in this context that the differences in perspective and style between the two bodies were most clearly brought out: the Scottish Office cautious, taking the

52. See Appendix.

"national view", concerned about the expenditure of public money and the possibility of the Board exceeding its jurisdiction; the Board eager to strike out, to try bold but risky new ventures and generally to "think big" (as H.I.D.B. staff put it in a telegram supporting Grieve at the time of Mabon's speech ⁵³).

Since those days relations have been more amicable. The Board never gave up its 'entrepreneurial' spirit but after 1967 was less radical (or merely more diplomatic?) in its proposals - a fact probably connected with the departure of John Robertson and Frank Thomson. For its part the Scottish Office learnt to accept the Board's ways while not losing the desire to prevent things from getting out of hand. Points of friction still remained however: the Board chafed somewhat at Scottish Office controls and sought more autonomy, particularly in financial matters. In their evidence to the Commission on the Constitution they said that, "we have found that the central government machine is in the main too ready to control executive work at regional level"; ⁵⁴ and to the Select Committee on Scottish Affairs they expressed the desire to have more say in the writing-off of moderate losses, to be able to decide on the numbers and salaries of their employees without continual reference to the Scottish Office, and to have more flexibility in the deployment of interest rates instead of being rigidly tied to B.O.T.A.C., (a rule they considered had been applied more flexibly in the early years of their life). ⁵⁵ They also complained that they were treated as just one of the bodies to be consulted on matters relating to the Highlands whereas they thought they should be treated as the major body. ⁵⁶

53. Glasgow Herald 2/9/67.

54. Commission on the Constitution, Minutes of Evidence IV - Scotland (1971), p.144.

55. Select Committee on Scottish Affairs, Session 1969-70, Minutes of Evidence of H.I.D.B. (H.C. 267-I), p.40-41.

56. Ibid, p.43.

It is clear that by 1970, though the mutual adaptation of H.I.D.B. and the Scottish Office had gone far enough to prevent open conflict, there remained an ineradicable difference in what was perceived as the Board's proper place in the administrative structure.

The "Scottish Office" loosely referred to above means the civil servants in that department; the politicians, with certain exceptions (e.g. Ross at the time of Thomson's resignation, Mabon when he made his controversial speech), do not seem to have played an important independent role. For instance, Ross followed his officials in being sceptical about M.F.D. in 1967; later he told Grieve that he had been wrong but had been badly advised.

Apart from the Scottish Office the Board had only slight contact with the central departments. The ubiquitous Treasury was always a factor to be considered but negotiations with it were conducted by the Scottish Office. H.I.D.B. was associated directly with the Ministry of Technology on the Caithness Working Party; the Ministry of Labour (and successors) assisted with project Counterdrift; and there was an agreement with the Board of Trade defining the respective roles of the two bodies in giving financial assistance to Highland developments.

The second group of relationships, between the Board and other bodies at the same level, was conditioned by the multi-organisational nature of public administration - the situation in which all administrative functions (e.g. assistance to agriculture, the promotion of tourism) are the province of parts of several different organisations. In the case of the Highlands the two chief problems caused by this situation were those of "fitting in" new bodies and of coordination. As a new body in 1965 the Board faced the problem of fitting in - that is of finding itself a place in each of the various policy areas relevant to development and defining its relationships with the organisations already operating there. We saw in chapter 5 that this process was not always achieved without friction; there was, for instance,

the disagreement with the Tourist Board and the initial hostility of the fishing authorities towards the Fisheries Development Scheme. Relations with ^{the} Crofters Commission were not of the best either; the two bodies did not quarrel about anything substantial but the Commission considered that they were simply ignored. In fact the Board was accused by hostile critics of being jealous of its status, unwilling to cooperate and interested in boosting its own image.⁵⁷ Once again different perceptions play a part: from the Board's side it seemed that the existing bodies were simply upset because their own position in the pecking order had been disturbed.

It is not possible to generalise about relations with the local authorities as these varied from case to case. The best relations seem to have been with Ross and Cromarty County Council as that Council was an enthusiastic supporter of M.F.D., working hand in hand with the Board to bring industry to Invergordon. Relations were perhaps worst with Inverness-shire, possibly because several large landowners hostile to the Board as it was constituted, e.g. Lords Burton and Lovat, were prominent on the Council. Even so there were no serious clashes between Inverness-shire and the Board and the worst the Board said about any local authority was that there were one or two cases of undue delays over planning permission for projects they thought important.⁵⁸

Considering that one of the chief reasons the Royal Commission on Scottish Affairs had given for rejecting the idea of a Highland development board and the main argument used by subsequent Conservative Secretaries of State for not setting one up was that it would clash with existing bodies and sap the powers of the local authorities, the bureaucratic warfare actually

57. For mild criticism along these lines see P. Wass, "Rural Development in the Highlands of Scotland", Journal of Administration Overseas, Vol.X (July 1971) and, for a stronger statement, Lord Lovat in People's Journal 25/5/68.

58. Select Committee on Scottish Affairs, Session 1969-70, Minutes of Evidence of H.I.D.B. (H.C.267-1), p.34.

brought about by the creation of H.I.D.B. does not seem to be excessive. Of course there were territorial skirmishes but the bad feeling produced by them did not lead to anything resembling an administrative crisis. Most of the friction produced when the Board was a new arrival was dissipated as it became an accepted part of the landscape and even newer bodies (e.g. the Countryside Commission) had to be digested. However the potential for organisational clashes remains as long as there are a variety of bodies with remits to do rather different things: for example ^{since} the slopes of Cairngorm passed into the Board's hands (in 1971) there has been a clash with the Nature Conservancy who wished to conserve what the Board were anxious to develop. 59

The other problem is coordination. Sometimes lack of coordination arises from what looks suspiciously like buck passing. In the Raasay case for instance the Board, having put forward its development plans, refrained from doing anything ~~else~~ until the County Council and S.D.D. had provided a ferry. Sometimes there is no coordination because the two or more bodies concerned do not wish to cooperate, but as often as not coordination problems arise, with the best will in the world on all sides, simply because of the sheer practical difficulties involved. J.S. Grant, Chairman of the Crofters Commission, pointed out that coordinating the activities of his Commission and H.I.D.B. was difficult because whereas the Commission was organised by area, each area Commissioner having responsibility for all the Commission's activities, H.I.D.B. was organised by function and concentrated in Inverness, so that there were no equivalent people in both organisations who could keep in touch regularly (except at the very top). R.A. Faskin, the Board's Secretary, has described situations where the number of bodies to be coordinated became so great that it was a problem simply finding a room large enough to hold all their

representatives and a time suitable for everybody. The result, not surprisingly, is a temptation for each organisation to work independently and to hope its activities are not at cross purposes with those of another body. Attempts to overcome this problem by having overlapping memberships of the various organisations (e.g. a member of H.I.D.B. is also a member of the Countryside Commission) does not really seem to work and short of making the situation less multi-organisational - perhaps by combining a lot of the bodies into one or by defining their spheres of action more precisely so that there are less overlapping responsibilities - it is difficult to think of a solution.

Thirdly we have the Board's relationship with the lowest level of its political environment - the public, organised in the form of interest groups or amorphous as "public opinion". If, as I showed in the first section of this chapter, those whose hopes were highest for H.I.D.B. in 1965 were disappointed five years later then, equally, the people who were most suspicious or sceptical of the Board at the beginning had been won round by 1970 (or at least become relatively neutral on the question). It is obviously difficult to be precise about the changing pattern of public support for the Board as, in the absence of any survey data, all impressions are necessarily subjective. Grieve's view is that at beginning H.I.D.B. faced "wary defensiveness, and even sometimes acute suspicion" but by 1968-69 this had been transformed into "a sort of wish you well atmosphere".⁶⁰ My own feeling, gleaned from the press, is that, despite the suspicions of a minority, the Board was accorded a general and, not uncommonly, enthusiastic welcome to begin with but that their popularity slumped in the dark days of the Thomson controversy. 1968 brought them a substantial comeback and since then the public attitude has been increasingly marked by growing indifference. By 1970 (and since) I

60. Select Committee on Scottish Affairs, Session 1969-70, Minutes of Evidence of H.I.D.B. (H.C.267-1), p.46-47.

would say that there was a general acceptance of the need for a Highland development board but very little excitement over the H.I.D.B.'s activities.

Whatever the facts about the level of public support, there can be little doubt that the Board, while surrounded by critics (as we have seen), had very few enemies at the end of its first five years of existence - there were very few people, that is, who actually wanted to see it destroyed. It is probable on the face of it that government bodies which do things for people (service agencies) are much less likely to make enemies than those that make or prevent people from doing things (regulatory agencies). By avoiding using its compulsory powers the Board became wholly a service agency and as such could expect to win support from those benefitting from its services and from those who hoped to benefit in the future. One form of opposition that might have emerged, an ideological antipathy on the part of Conservatives, never in fact materialised. In opposition the Party was generally friendly towards the Board and after the 1970 general election the new Government assured them of complete support.⁶¹ What has happened to the Board since 1970 is outside our period and is relegated to an appendix but it is perhaps worth mentioning that when Lord Burton (an original opponent of H.I.D.B.) attempted to get a debate going at the 1972 Scottish Conservative Conference on the Motion that the Board should be wound up and its powers transferred to the new Highland regional authority, he could not even find a seconder and was forced to drop the idea.⁶²

The Board's relationship with the organised interests in the Highlands gave rise to many of the same problems as their relationships with other statutory bodies - that is, there were difficulties in developing a consultative network and in coordination. Many of the bodies with which H.I.D.B.

61. The Scotsman, 31/7/70.

62. Glasgow Herald, 28/2/72.

was expected to consult before doing anything were interest groups and their numbers swelled the list of organisations with which the Board had to try and "fit in". H.I.D.B. were not unresponsive to such bodies when they spoke with a clear voice - as did the agricultural interests led by the N.F.U. - though there are the usual problems here in determining how far the growth in Board assistance to agriculture was caused by outside pressure. On the other hand there has been little adaptation to the demands of the unorganised public - "public opinion" - except in one instance following the Thomson affair when the Secretary of State decided that in future any request for financial assistance from a firm in which a Board member had an interest would have to be ^{considered} ~~decided~~ by him. This is simply because "public opinion" about the Board has not had a coherent voice. Board members are quick to claim that they do their best to find out the views of the ordinary Highlander, travelling regularly for this purpose and using the Rural Councils of Social Service as sources of local opinion/^{but} they can always quite justly point out, as Grieve did in a recent lecture,⁶³ that they are invariably faced with contradictory demands. It might be said that H.I.D.B. should spend more time finding out the relative strengths of these demands (it would be a brave - or foolhardy-move) but until this is done they can simply choose to react to the one that suits them.

This is a far cry from the sort of control by local interests that Selznick found in connection with T.V.A.'s agricultural programme⁶⁴ and it is fair to say that any threat to the Board's autonomy comes from the Central Government rather than from local authorities or interest groups. Neither has H.I.D.B. run into the Cassa's problem in Southern Italy of becoming entangled in political patronage though how much this is due to the different political traditions of the countries concerned and how much to

63. To the University of Glasgow Economic History Society, early in 1973.

64. P. Selznick, T.V.A. and the Grass Roots (New York, Harper Torchbook, 1966).

the fact that the Board is a much less important organisation, is not clear.

Finally, what of the future? The appendix following this chapter briefly describes the Board's activities from 1970 to date (mid 1973) and shows that while the pattern has remained much the same as in the 1965-70 period, the growing importance of oil-related developments is changing the situation in which the Board must work. The next few years will also see another important change in the Board's environment: the reorganisation of local government. Government spokesmen have insisted that this reform will not lead to the phasing out of H.I.D.B.⁶⁵ and since the decision to give special authorities, outside the main regional structure, to the island groups of Shetland, Orkney and the Western Isles, it has not been possible to consider transferring some of the Board's powers to a single unified Highland authority. In fact the Board's position may not change all that much for instead of having relations with seven top-tier authorities (the Crofting Counties) it will have them with five: the three island groups, the Highland region and the Strathclyde region (if it survives) containing Argyll.

There is no reason to suppose that Board relations with Orkney and Shetland will change and the Western Isles may simply follow the same pattern. The two mainland authorities offer more scope for speculation. The Strathclyde region is in the anomolous position of having only a part - and not a very important part - of its area coming within the Board's domain. The likely result of this is that the region, preoccupied with Lowland areas, will have little time for the Board's schemes and this might lead to delays. On the other hand the district authority (i.e. Argyll) will have responsibility for local planning and building control so perhaps

65. The Scotsman, 31/7/70.

H.I.D.B. will hardly need to deal with the region. The Highland regional authority, administering most of the area covered by the Board and based in Inverness, will have more intimate relations with H.I.D.B. but it is an arguable point whether this closeness will lead to effective mutual cooperation or whether the division of development and planning powers between two quite powerful bodies is a recipe for conflict.

Appendix

The Board Since 1970

We have been looking at the Highlands and Islands Development Board during its first five years of existence - the period when Professor (later Sir) Robert Grieve was Chairman - which ended on 31st October 1970. The last months of 1970 are a good place to stop for several reasons; not only was there a change of Board members but a little earlier - in June - the Labour Government that had created H.I.D.B. was replaced by a Conservative Government, and in the following year the first signs of the effect of North Sea Oil made their appearance in the Highlands.¹ However, good place to stop or not, 1970 certainly does not provide an absolute break. The Board was not abolished or allowed to run down; on the contrary, there has been a considerable degree of continuity in its activities, and its expenditure has increased by steady increments. Therefore in order to give some perspective to the years 1965-70 I propose to briefly describe what the Board has done since that period and to ask what effect the change of members and of government had on it.

Perhaps the first thing to say is that the change of Board members was by no means total; Sir Andrew Gilchrist, a retired diplomat, replaced Professor Grieve but only one of the other full-time members - John Rollo - left. Sir James MacKay still had almost two years of his term to go; he was promoted to Deputy Chairman. Prophet Smith was re-appointed for a further five years. The fourth, and newly appointed, full-time member was Alexander Forsyth, an Edinburgh businessman. The turnover of part-time members was more complete; Scholes and Fraser were replaced by James Shaw Grant, chairman of the Crofters Commission, Colonel H.A.C. MacKenzie, a whisky distiller from Easter Ross and a member of N.S.H.E.B., and James

1. Rig builders and other oil-related firms began to take an interest in the Highlands in the last few months of 1971 but no developments took place until 1972.

Raffan, a retired Inverness bank manager. The reaction to the appointments, particularly that of Gilchrist, was somewhat unfavourable - the commonest criticism being that, though they might be excellent men, retired diplomats are not the most suitable people to be in charge of Highland development.²

What did this new Board do? They continued of course to give financial assistance; the total amount approved in 1971 was £2.7m., a sharp increase over 1970, and in 1972 it rose to £4.5m., the highest amount (in real terms) for any single year.³ The balance was much the same as before, manufacturing got most, tourism came close behind, etc. The maximum assistance the Board could give without reference to the Scottish Office was raised from £50,000 to £75,000. Following the Industry Act 1972, regional development grants for new building and machinery for many industrial projects in the Highlands and Islands became available. These however were processed and paid by D.T.I. rather than the Board.

In the manufacturing field the Board continued to press ahead with promotional and marketing activities and it completed a study of the Harris Tweed industry, using its finances to help follow up the recommendations. New developments occurred in the field of industrial sites and factories: in 1971 the Secretary of State gave the Board permission to acquire 12 sites ^{and} to build four advance factories - at Dalcross, Alness, Dingwall and Aviemore - and a 'nest' of factory units at Stornoway. By the end of the year the Board was for the first time becoming a significant owner of industrial property. The Board's factory at Thurso was leased to an industrial glove manufacturer and the second of the two smaller growth points, Fort William, got a large modern sawmill and an "industrial underwater proving ground" (concerned with the technology of opening up underwater mineral resources).⁴ Altogether 1972 proved a boom year for industrial

2. Glasgow Herald 9/10/70. This was an old Liberal theme - see chapter 4.

3. H.I.D.B., 1971, p.23 and H.I.D.B., 1972, p.21.

4. H.I.D.B., 1972, p.28.

projects quite apart from oil related developments.

In tourism the Board's policies continued without significant changes; among the most important new developments were the starting of a Highland Wildlife Park in the Spey Valley with considerable Board assistance, the building of the second hotel in the Board's special scheme (this one on Barra), and the start of a scheme to help people build holiday cottages which was later confined to crofters.⁵ Fishing developments have already been described up to the end of 1971 as this period was included in William Russell's assessment of Board policy. Since then the Secretary of State has approved a massive extension of the Board's aid to the fishing industry so that assistance can be given towards the purchase of 40 new boats and larger numbers of second-hand and "dual purpose" boats.⁶ Fish farming continued but its vulnerability to disease was dramatically underlined on one trout farm. The Board decided to combat this in future by building its own hatchery to produce a supply of certified disease free trout eggs.

More has been done for agriculture as time has gone on; in terms of financial assistance it still lags behind fishing, tourism and manufacturing but assistance approved in 1971, £245,000, was much greater than in the previous year, and in 1972 there was another dramatic increase (to £592,000).⁷ The major agricultural survey of Caithness, Orkney and Shetland commissioned by the Board has been completed and so has the study of the effect of Moray Firth developments on the agriculture of the area. The small experimental project to grow blueberries on the Black Isle was started in 1971. Searches for minerals continued but the coalmine at Brora which the Board have helped so much is to close for economic reasons.⁸

5. Before this limitation the scheme was proving highly embarrassing with thousands of people wanting to take advantage of the Board's generosity and no sites for them to build on.

6. Glasgow Herald, 8/2/73.

7. H.I.D.B., 1971, p.56 and H.I.D.B., 1972, p.51.

8. Scotsman, 26/6/73.

None of these developments can compare in scope with those related to North Sea Oil which promise, or threaten, to change the face of some parts of the Highlands. By mid-1973 the area most affected was that round the Moray Firth, where two rig building companies were definitely established - Highland Fabricators at Nigg on the Cromarty Firth and McDermotts at Whiteness Point, Inverness - and several more planned to come in. The result has been to create a labour shortage in the Dingwall - Invergordon area where there had formerly been high and persistent unemployment.⁹ But the spin-off is not confined to these parts; Shetland, Orkney, Caithness, Southern Argyllshire and even perhaps the West Coast will be affected by oil-related developments and battles over conservation and amenity are beginning to become lively. Oil is the province of large companies which dwarf the Board, and their role in these developments is somewhat marginal - in 1972 approved assistance to oil-related projects was less than £½ million.¹⁰ In fact oil has changed the whole situation in which the Board must work and poses problems quite different from those encountered in 1965-70. One immediate result is that the Board have changed their minds about the Kyle railway and now recommend that it be retained. Another extraneous event will effect the Highlands as least as much as the Board can ever do: Britain's membership of the EEC. Naturally the Board's only part in this was an advisory and information-gathering one; it has considered the effect of membership on fishing and produced a report on the implications for hill farming.¹¹ As before, the Board's main advisory role has been in transport. They commissioned Professor Gaskin of Aberdeen University to study freight rates to the Islands and his report somewhat embarrassed them by stating that transport

9. Glasgow Herald, 5/7/72.

10. H.I.D.B., 1972, p.21 gives the figure of £0.87 million for approved investment in oil-related projects but this includes the private contribution so that no more than 50% of this figure would be Board money.

11. H.I.D.B., Special Report 6, "Hill and Upland Farming in the Highlands".

charges were probably "not a significant deterrent to development." ¹²

The Board itself changed little after 1970 except to expand - by the end of 1972 its staff total was 201 ¹³ - though a new Finance division was set up to replace the old Financial and Management Services. The Board's grant-in-aid and expenditure has continued to increase (faster than the rate of inflation!); in 1971-72, total payments were £3,710,372 ¹⁴ and the estimate for the grant-in-aid for 1973-74 is £5m. (which with other receipts will mean H.I.D.B. have about £6m. at their disposal). ¹⁵

It is clear from the above that the period since 1970 has brought no major changes in Board policy. In other words neither the change of Government nor the change of Board members resulted in a new direction being given to H.I.D.B. activities - a point agreed on by most informed observers including the Board themselves. This can be brought out more clearly by looking at the sort of changes a Conservative Government or a Board selected by them might have initiated. Firstly the fear that the Conservatives were in some way hostile to the Board and wished to see it run down has turned out to be quite unfounded: it has in fact been supported in the most tangible way - the graph of its grant-in-aid shows a steady rise unbroken by the change of Government. This is not really surprising, despite Michael Noble and his "Marxist measure" attack on the Highland Development Bill, the Tories have never been hostile to the Board, and they could hardly have been dissatisfied with the way it was doing its job under Grieve as he was asked by Gordon Campbell to remain Chairman. ¹⁶ Furthermore Gilchrist insists that he was given no general directions as to what the Board should do when he took office. Perhaps the Conservatives would never have supported big developments in the Moray Firth area but, whatever their theoretical

12. ~~M. Gaskin~~ "Freight Rates and Prices in the Islands" (H.I.D.B., 1971), p.45.

13. H.I.D.B., 1972, Appendix I.

14. H.I.D.B., 1972, Appendix IV.

15. Glasgow Herald, 5/2/73.

16. Information from Professor Grieve. He refused the offer as he felt committed to returning to Glasgow University.

views on this subject, they have been rendered irrelevant by North Sea Oil. Besides, the principle of making the Moray Firth a major growth area is still obviously intact - 3 of the 4 advance factories are being built there.

The area where a Conservatively - minded Board (if that is really a correct description of the present Board) might be most expected to make changes ^{is} / ^{by} indulging in less projects at its own hand. The idea that there has been a change here seems to be born out by Gilchrist's description of the Board as a "merchant bank with a social purpose" ¹⁷ and his evidence to the Select Committee on Scottish Affairs that running a thing at their own hand was not "the most efficient way of doing it". ¹⁸ Not too much can be made of this however, the previous Board did not do very many things at its own hand and since 1970 the Board has continued to build its hotels and advance factories and has gone ahead with its scheme to produce trout ova. The sale of Gaelfish does genuinely seem to have been, at least in part, a result of the Conservative preference for private enterprise (on the part of the Government) but there is no evidence that the discontinuation of the bulb scheme is related to any change in policy by either Board or the Government.

One change that has occurred is an increased Board involvement with agriculture. More financial assistance has been given to this sector since 1970 and the farming interests, hitherto highly critical of the Board, now seem to be satisfied. ¹⁹ But even here it is not certain that the change of Board members was really responsible for the increase in activity. Gilchrist himself believes that he brought a greater concern for farming

17. H.I.D.B., 1970, p.5.

18. Select Committee on Scottish Affairs, Session 1971-72. Minutes of Evidence of H.I.D.B. to Sub-Committee A. (H.C.51-x), p.277.

19. Glasgow Herald, 15/7/72 and 29/9/72.

with him to the Board, but Prophet Smith, the member responsible for agriculture, insists that the increased aid since 1970 is only the result of a change that occurred in 1969 when the Board worked out with D.A.F.S. a clear role for themselves in this sector of the economy.

The fundamental continuity of policy is obscured somewhat by a difference in personality - and in rhetoric - between Grieve and Gilchrist. Grieve, the planner and 'visionary' always saw the Board's work in grand macro terms - "getting the centre of gravity further up Britain" ²⁰ and "adding another perfectly possible way of life to that in the great cities". ²¹ Gilchrist and his "merchant bank with a social purpose" is more of a marginal incrementalist. What the Board actually did never quite lived up to Grieve's vision; Gilchrist has accepted the reality while changing the rhetoric. It perhaps should also be borne in mind that even if Gilchrist had wished to make some serious changes he would have had to contend with an experienced senior staff who had had a considerable influence on existing policies and hence some commitment to them. The problems of a new Minister coming to a department must be reflected on a small scale when a new Chairman comes to H.I.D.B.

20. Scotsman, 20/1/66.

21. H.I.D.B., 1966, Foreword.

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A fair amount of information was obtained from personal interviews with many of those people who played some part in the events described in the thesis. Whenever such interview material has been the main source of evidence I have given a footnote to that effect in the text. It would be tedious to list all the many people who were kind enough to tell me what they knew or thought of H.I.D.B. but special mention should be made of Professor Sir Robert Grieve with whom I had three fairly lengthy interviews; I also went to a lecture on the work of the Board that he gave to the Glasgow University Economic History Society early in 1973. In one case, that of Lord Cameron, Chairman of the Consultative Council, my queries were answered in a letter from which I have quoted in one place.

In addition a certain amount of unpublished written material was used. This falls in two groups: (i) documents produced by or for the Board; (ii) other material. Many of the documents in the first group are freely available in the Board's own library; the following list includes the ones I found most useful (given in rough chronological order).

Product Planning Ltd., "Moray Firth Industrial Credibility Study" (1966)
Short H.I.D.B. report on Colonsay (1966) and Memorandum of one year later (1967)

R. Dean, "Bulbs from the Western Isles. A feasibility study" (1967)

Conwell Greene & Co., "Hotel project feasibility study (Mull)" (1967)

Grøntmij Ltd., "Land reclamation in the West" (1968)

"The reclamation of Valley Strand in North Uist as a Comprehensive Bulbs Project" (Proposal by H.I.D.B. to the Secretary of State for Scotland; 1969)

H.I.D.B. study of the feasibility of a hotel on Barra (1970)

Aberdeen University, Department of Geography," Moray Firth

Ecological Study 1969-74: Summary of Progress March 1972"

H.I.D.B., "Constitution, Functions and Administration of H.I.D.B."
(1972)

In general I was not permitted to see any confidential Board material but in one instance this rule did not hold. It will be remembered that Mr. P.E. Durham took a number of the Board's private documents to use as evidence for his memorandum about Frank Thomson. Mr. Durham still has these documents and very kindly let me see them; they consist mostly of Board minutes from between March and December 1966 and have been mentioned in footnotes where appropriate. A copy of the proposal by the Board to the Secretary of State concerning Moray Firth Development (December 1966) was also included in the documents.

The other material, that not produced by or for H.I.D.B. is smaller in volume. It includes P.E. Durham's memorandum and his letter of 15/6/71 to the Franks Committee on the Official Secrets Act (this letter describes the events leading up to Durham's dismissal from H.I.D.B. and the subsequent threat by the Board to prosecute him under the Official Secrets Act). In addition the following were also used:

Report on the Public Enquiry

- (i) Into Amendment Number 3 to Ross and Cromarty Development Plan (1968)
- (ii) " " " 6 " " " " " (1969)

Transcripts of two of the programmes in the B.B.C.'s "Current Account" series, one on H.I.D.B. (in Autumn 1970) and the other on Shetland.

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Official Publications

(I include in this section not only all publications by H.M.S.O. and H.I.D.B. itself, as would be expected, but also the reports etc. of the various semi-official bodies mentioned in chapter 2).

(a) H.I.D.B. Publications:

First, Second, Third, Fourth, Fifth, Sixth and Seventh Reports
(1966-1972)

Special Report Number 1: "Wick-Thurso Working Party" (1969)

" " " 2: "Of Special Importance" (Fisheries Development
Report) (1969)

" " " 3: "Fishing in Shetland - A Manpower Survey"
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(b) Command Papers (in date order):

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